

MAY 30, 1988

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TIME

Rolling Out
The Red
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SHOULD DRUGS BE MADE LEGAL?



A LETTER TO THE NEXT GENERATION

FROM BENJAMIN SPOCK, M.D.

America's Child Care Doctor

I learned something about the relationship of materialism and idealism in youths when I spoke to some 800 universities and colleges, between 1965 and 1973, about our government's war against Viet Nam. The students raised questions that had never occurred to me: Why spend our lives in the rat race? Why not work in the spirit of cooperation and brotherly love? Why slave to pile up money and possessions? Why not see how simply we can live? They protested against injustices to blacks, and against antiquated rules and academic hypocrisy. They supported faculty members threatened with dismissal because of radical views and activities. Thousands defied the draft laws by burning their cards, exiling to Canada, or going to jail.

If a situation which troubles youths is what kindles the search for idealistic solutions, what causes the swing to materialism? It seems to me that in America materialism is the normal mode. It was established by the millions who immigrated here to find a better material life. Our natural resources and open frontiers have enriched enough individuals to keep alive the American illusion that anyone willing to work hard can become wealthy. This belief has diverted attention away from political solutions. Only half of our people vote. I've heard of fathers

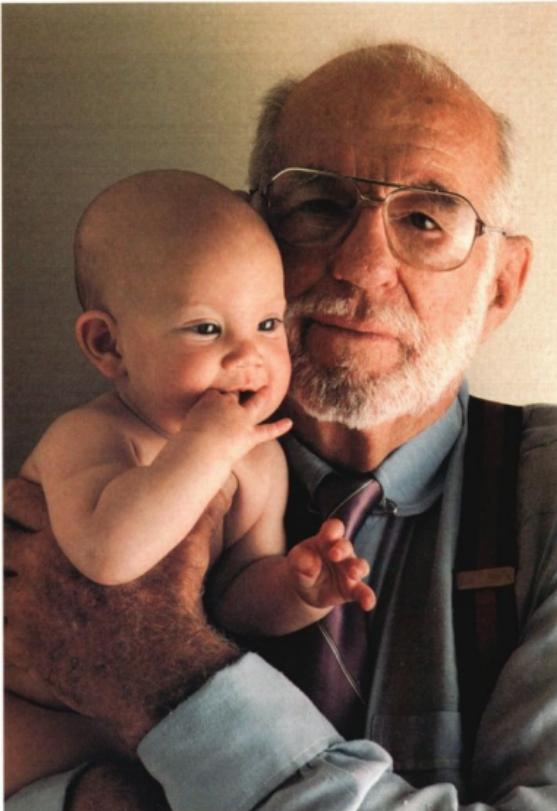


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In "Open Forum" sponsored by
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prominent figures in American
 culture pass on their ideas and
 views to those who'll inherit the
 earth...100 years from now.



Third in a series

Please See Inside

*“...today there is more to do
than ‘get ahead.’ The need for vision
and courage is urgent.”*

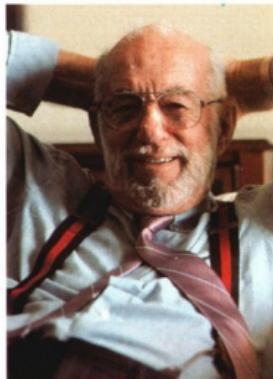
who tell their sons, “Never mind politics. Your job is to get ahead.”

But today there is more to do than “get ahead.” The need for vision and courage is urgent. Wars are raging. World economies are increasingly shaky. In rich America, there is mounting poverty, hunger, disease, and homelessness. Discrimination is still bitter. Divorce, which has doubled in 15 years, traumatizes all members of the family. Rape, wife and child beating, even murder within the family, are shockingly high. So is teenage suicide. Abuse of drugs is epidemic and spreading corruption.

Looking back, as soon as American troops were withdrawn from Viet Nam in 1973, I was shocked that most members of subsequent freshmen classes expressed conformist views, without apology. I found excuses to deny or explain away this shift from idealism to materialism.

Then, I looked at the last sixty years and found some consolation. The 1920's was a period of almost unmitigated materialism. But the prolonged depression of the 1930's stimulated idealistic searching for alternative solutions. Franklin Roosevelt's New Deal, beginning in 1933 with strong popular backing, established a social security system, encouraged unionization, and organized work for not only unemployed industrial workers—but for writers and artists.

The end of World War II in 1945 brought prosperity and another wave of wholehearted materialism. I still remember reading a magazine poll of college students' views on occupations. They an-



swered with a surprising degree of uniformity, “THE BEST PAYING JOB I CAN GET—WHATSOEVER IT IS.”

In the 1950's and early 1960's—stimulated by the Supreme Court's decision mandating the integration of blacks and whites in schools—it was the youths who protested against racism. When our government escalated the Viet Nam War, opposition to it was picked up primarily by youths. So the important question to me in any decade is this: what's the trend and how fast is it moving?

From living through two relatively idealistic periods and three of intense materialism, I've come to several conclusions.

Youths were not made of different stuff during these periods of time. They were responding to different conditions as they felt them. What will the next generation be concerned with?

Are there no other routes to social idealism than depression and unjust wars? There are two

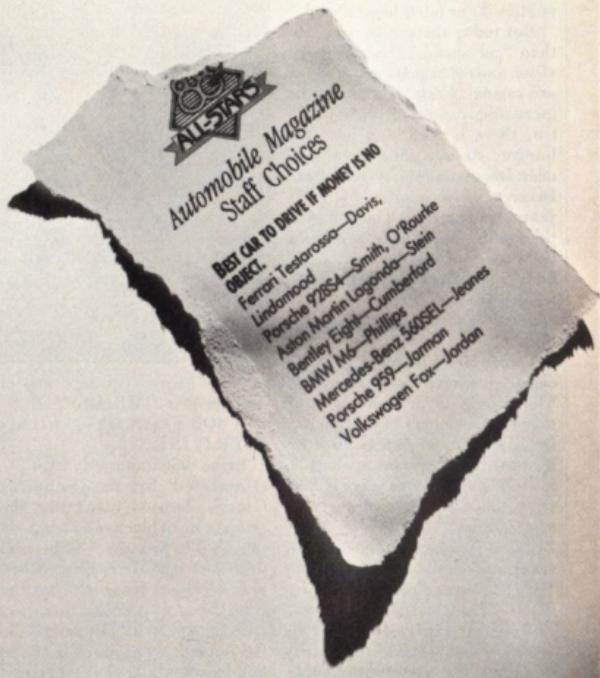
broad avenues. First of all, parents and teachers can put much less emphasis on competition: No comparisons between siblings. Abolish grades in school; they corrupt students into memorizing instead of understanding and analyzing. End the dishonesty and cynicism fostered by athletic scholarships.

Children and youths should be raised with an emphasis not on getting ahead but on cooperation, helpfulness, kindness and looking for solutions to problems. Parents can set the example. They can speak of the spiritual side of sex and marriage. Parents should also pressure television to present programs for children that explain the world, instead of presenting violence. Children have endless potentialities for growth, idealism, and creativity—if they are not let down by their society.

The other avenue to use, more vigorously, is the democratic process. This means several things. Going out to vote, doing it discriminately, and participating in other political activities that could make ours a better nation. Good day care for all children who need it. Free, challenging education for everyone, as much as they can use. High quality, free health care. Decent housing for all. Progressive negotiated disarmament—with the money saved to be used for human needs. When children and youths see their parents working for such causes, they will adopt similar ideals.

Benjamin Spock

Benjamin Spock, M.D.



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TIME

THE WEEKLY NEWSMAGAZINE

COVER: Frustration with the war on drugs 12 kicks off a bitter debate about legalization

Advocates say it would cut down on street crime, a greater menace than the drugs themselves. But opponents charge that legalization would cause a vast increase in addiction, and they appear to have the better case. ► Congress wants the military to intercept drugs, despite the Pentagon's objections. ► Meanwhile, the feds seize flotillas of yachts for specks of narcotics. See NATION.



WORLD: As his army leaves Afghanistan, 24 Gorbachev is set to welcome Reagan

The Soviet leader is ending his nation's unpopular foreign adventure, but his ambitious political and economic reforms still face challenges at home. ► A landmark U.S.-Soviet arms treaty is now about 90% complete. In an exclusive report, TIME's Strobe Talbott tells the inside story of negotiations to scrap some of the most dangerous weapons on earth.



DESIGN: Two unrepentant old modernists 62 win architecture's most prestigious award

The \$100,000 Pritzker Prize goes to a pair of apostles of the International Style, lately profoundly out of fashion. The U.S.'s Gordon Bunshaft, 79, designed humane, impeccable office towers, notably the Lever House in Manhattan. Brazil's Oscar Niemeyer, 80, was the singular creator of the major public buildings of Brasilia. Both say they would do it all the same way again.



42

Finance & Business

The markets in New York City and Chicago fight a fierce turf battle. ► A bittersweet boost in exports. ► Embezzlers nearly net \$69 million.

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Profile

Can this courtly fellow, all cracker-barrel charm, really be the dread "Senator No." otherwise known as Jesse Helms?

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Video

Ted Turner is promoting another big new programming venture, and heady days are here again for the cable industry.

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Law

The Supreme Court opens the household trash bag to warrantless police searches. ► And the Justices give doctors the antitrust jitters.

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Medicine

Surgeon General Koop strikes sparks with an antismoking broadside that confirms tobacco, like cocaine or heroin, is addictive.

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Technology

The new generation of user-friendly 35-mm zoom cameras are feature packed and computer smart. They may even be too smart.

64

Cinema

The season's sequels get off to a rocky start: *Rambo III* chills out in the cold war; *"Crocodile Dundee II* bogs down in plot problems.

72

Living

America's women's clubs must revise their mission to attract a younger membership or risk having to close their doors for good.

Cover:

Photograph by
Roberto Brosan

A Letter from the Publisher

On many a Monday morning, when the first copies of TIME go on sale, I have paged through the magazine and felt the twinge of a missed opportunity. My letter to you in this space had mentioned a cover story, some other single article or member of our staff, but neglected half a dozen other pieces that were similarly distinctive. So I made myself a promise: This week I will write about stories that I am particularly proud of in this issue, until I run out of space.

My task was complicated by the course of events. We began the week with a different cover story in mind, but were struck by the sudden upsurge of debate over the highly emotional issue of whether drugs should be legalized. On Thursday we switched to the story that appears in the Nation section. It was reported by all our domestic bureaus and written by Senior Writer George Church. Accompanying the main story are examinations of the military's new role in the war on drugs and the Administration's "zero tolerance" campaign against drug consumers.

A few pages away in the World section is Washington Bureau Chief Strobe Talbott's inside account of how, after years of feints and frustrations, the U.S. and the Soviet Union have just about reached a strategic-arms-reduction agreement, an achievement that will be at the center of next week's Moscow



Gup, left, with Helms in his Senate hideaway

summit. It is a tough subject, but one worth a few minutes' extra attention, and we don't think anyone can tell it better than Talbott, the author of two books on arms control. Not far beyond that story comes Profile, a department we introduced six months ago to provide word portraits of compelling personalities. This week's Profile, written by Washington Correspondent Ted Gup, is about North Carolina's often contentious, always colorful Senator Jesse Helms. Then there is the Design section, which showcases the

work of Architects Gordon Bunshaft and Oscar Niemeyer, 1988 co-winners of the prestigious Pritzker Prize. Some stories can be told only in words, but this one must also be seen to be understood. The gallery of color photographs, accompanied by Contributor Kurt Andersen's description, catches the essence of the architects' accomplishments. Then there is the Technology section's look at a new generation of cameras, the Living story on women's clubs, the fascinating piece in Medicine about . . . I could go on. And on. But I have run out of space. Perhaps I will feel better this Monday.

Robert L. Miller



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Letters

Dealing Drugs

To the Editors:

As an inner-city schoolteacher in Philadelphia, I relate to your article "Kids Who Sell Crack" [NATION, May 9]. Imagine trying to educate not only the young traffickers but also their starry-eyed acolytes. Interest in my most dazzling science experiment fades immediately when, after a five-day absence, a leather-jacketed, gold-ringed, expensively shod youngster saunters into class to the open admiration of the other students.

Brian H. Spivak
Horsham, Pa.



If the disadvantaged of this country—the poor, the blacks and the Hispanics—had even the slimmest hope of realizing the American dream, drug pushing would lose its attractiveness, and foreign drug lords would be forced out of business.

D. Anne McNeill
Pittsburgh

The greatness of America comes from the goodness of its people. However, it seems clear that we have become a kindly parent whose unruly children are ruining the household.

Edwin W. Schillo
Linthicum, Md.

How can you ask the black youth of the inner cities to just say no to the large sums of money to be made from drug sales? Placed in the same situation, I cannot say I would not be tempted by the cash.

Bill Casto
Port Aransas, Texas

I was disturbed that you did not concentrate more on the kids in the suburbs who deal drugs. These white upper-middle-class high school students prey upon their peers, as well as younger children, tempting and seducing fellow students into the world of drugs for their own profit. What is being done to stop them?

Norman Berkowitz
Rye Brook, N.Y.

Perhaps it is time to consider a different approach: maintenance doses of heroin or cocaine given at no cost to addicts and supervised by the Government. With free drugs, addicts would not have to steal or turn to prostitution, dealers would lose their customers, children would not be drawn in, and we could walk the streets without risk of death from warring gangs.

Alfred C. Hexter
Kensington, Calif.

In a grotesque way, we have begun to accomplish an elusive sociological goal: the redistribution of wealth to the ghettos of America's cities.

Jay Grossman
Morris Plains, N.J.

As long as Americans continue to demand drugs, dealers like Frog will try to fill the need. Years ago, a man in a similar situation was quoted as saying "I have spent the best years of my life giving people the lighter pleasures, helping them have a good time." The man was Al Capone, and he saw himself as a public benefactor when he supplied people with alcohol. Perhaps the kids who push drugs have the same perspective.

Mark T. Reilly
West Point, N.Y.

R.F.K. Recalled

In 1968 I was 18 years old, and I vividly remember Bobby Kennedy's presidential campaign [NATION, May 9]. He spoke at my university and challenged us to become involved. While it is true that he made some early mistakes, no one who heard the man talk could deny the absolute sincerity of his convictions and commitment to social justice. Bobby was the best of the Kennedys, and the difference he could have made is incalculable.

Terri Lehan
San Jose

You quote Kennedy Speechwriter Adam Walinsky as saying there "is a lot of nostalgia for this country as it used to be." However, there is not much longing for America as it was in 1968. That was a year of hate, not hope. The country attempted suicide that year, and the murders of Bobby Kennedy and Martin Luther King Jr. were the lowest points of a very bad time. Let us hope we never have another 1968.

Garrett V. Adie
Arlington, Va.

Your poignant piece on the late Robert Kennedy fascinated me. He was a man my generation knows little about. He must have been an impressive person to walk and a mesmerizing speaker to hear. Now, as the U.S. presidential campaign heads into the final delegate-selection phase, we have yet to witness such a charming personality, such eloquent speeches or such messages of compassion.

We babies of the '60s still "yearn for passion." I hope your title is wrong and R.F.K. is not "the last hero."

Gary Batasar
Etobicoke, Ont.

Not an early admirer of the Kennedy clan, I watched Bobby Kennedy as he matured and developed in public life, and I came to believe in him completely. I will go a step further than Historian Arthur Schlesinger, whom you quote as suggesting that had he lived, Bobby Kennedy might have changed history. To me, his death did just that. It gave us, instead of hope and inspiration, the disgrace and mediocrity of the Nixon years.

Lockwood Thompson
Cleveland

Pliant Partnership

I am concerned by your report about the acceleration in U.S.-Soviet ventures [ECONOMY & BUSINESS, May 2]. Rather than developing the U.S.S.R. as a vast customer base for U.S. products, joint ventures will unwittingly provide the stagnant Soviet economy with the technology and innovation it requires to become competitive in world consumer markets. The prospect of the greatest military threat to the West becoming a great economic threat as well is disturbing.

Constantine Panayotou
Dublin

It is hard to accept that Soviet officials don't believe American supermarkets look as good as photographs show. The Soviets know where all the missiles in the U.S. are based but claim to have no knowledge of our supermarkets. C'mon, fellas, you just don't want to admit it.

Tim Howard
Baltimore

It was delightful to read that Americans pizza and McDonald's hamburgers are now being enjoyed in Eastern Europe. The smiles on the faces of the Soviets and Yugoslavs demonstrate the diplomatic power of American fast food. "Glasnost" is a new form of openness.

Edna S. Weiss
London

Lois Lane = Torchy Blane

Thank you for saying "Happy Birthday" to Superman [SHOW BUSINESS, March 14]. Joe Shuster and I, the co-creators of Superman, appreciate it. My wife Joanne was Joe's original art model for Superman's girlfriend Lois Lane back in the 1930s. Our heroine was, of course, a working girl whose priority was grabbing scoops. What inspired me in the creation was Glenda Farrell, the movie star who portrayed Torchy Blane, a gutsy, beautiful headline-hunting reporter, in a series of exciting motion pictures. Because the name of the actress Lola Lane (who also

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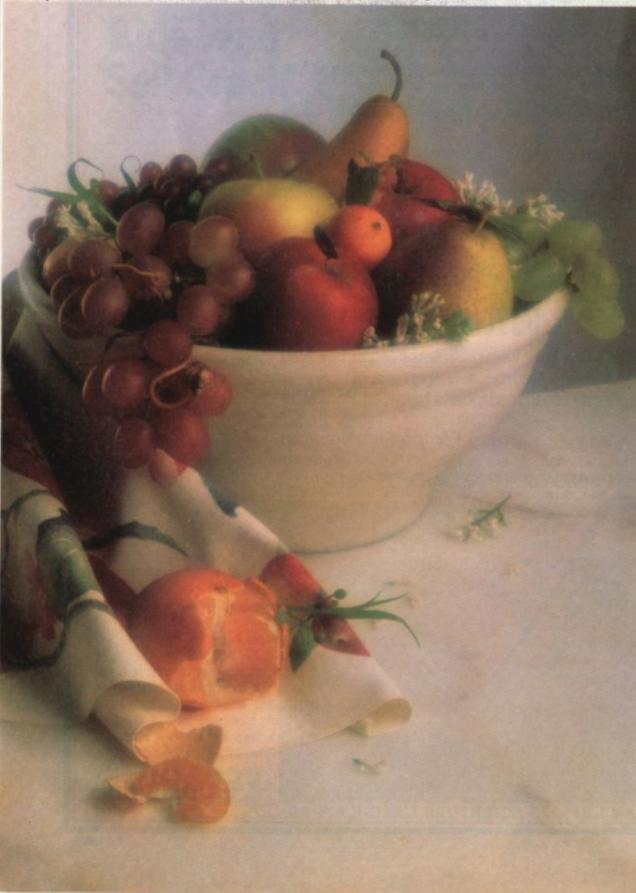
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Letters

played Torchy) appealed to me, I called my character Lois Lane. Strangely, the characterization of Lois is amazingly like the real-life personality of my lovely wife.

Jerry Siegel
Los Angeles

Honor vs. Money

To describe as "disingenuous" my objections to providing monetary reparation to Japanese Americans interned during World War II is to bury the truth with my remarks [ETHICS, May 2]. This nation suffers from what it did to those people. We will apologize. That is something we can and should do, although few have. However, you do not buy, sell or barter honor. Nor do you buy, sell or barter conscience. It's sad to see Congress attempt to remedy inequity and injustice by tossing out a few dollars. It is an act of astonishing materialism that demeans the Congress, the recipients and the U.S.

Malcolm Wallop
U.S. Senator, Wyoming
Washington

Laureate's Hymn

Your report on Richard Wilbur, the poet laureate of the U.S., is a fitting tribute [BOOKS, May 9]. Around 1959 Wilbur wrote a Christmas poem, which in 1971 appeared as "A Stable Lamp Is Lighted" in *The Hymn Book of the United Church of Canada* and the Anglican Church of Canada. Since then, other major hymnals in North America have included this masterpiece. Because some 65 million worshipers in the U.S. and Canada sing hymns on any given weekend, Wilbur's Christmas poem may have received the widest exposure of any of his works.

W. Thomas Smith, Executive Director
The Hymn Society of America
Fort Worth

Comanche Way

The article on the Lajitas Trading Post, which serves both Texans and Mexicans [AMERICAN SCENE, May 9], interested me because I have been to Lajitas twice. On the wall of the restaurant is a photograph, circa 1915-16, of General John J. ("Blackjack") Pershing and his U.S. Cavalry troop, which had returned to the U.S. after chasing Pancho Villa in Mexico. In the troop was a young lieutenant, George S. Patton. According to local lore, the Lajitas crossing of the Rio Grande was used in earlier days by Comanche, who ran raids into Mexico and then drove Mexican cattle back across the river.

Perrin G. Smith
Chester Springs, Pa.

LETTERS TO THE EDITOR should be addressed to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020, and should include the writer's full name, address and home telephone. Letters may be edited for purposes of clarity or space.

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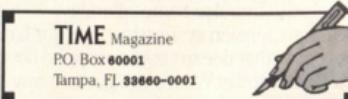
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Critics' Choice

CINEMA

A TAXING WOMAN. An immovable object in the shape of a greedy, tax-resisting real estate magnate meets the irresistible force of a zealous lady tax collector. Japan's Juzo Itami (*Tampopo*) collects our interest and offers sly dividends.

WINGS OF DESIRE. An angel, tantalized by the pleading voices of humanity, falls in love and then to earth. A timeless fantasy in today's West Berlin.

ARIA. Assign ten directors to work daff magic on ten of opera's greatest hits, and the result is this beguiling pastiche of long-haired "videos." Ken Russell wins top prize for his *Turandot* dream sequence.

MUSIC

ERIC CLAPTON: CROSS-ROADS (Polydor). Twenty-five years of mean guitar spread over 73 (count 'em) cuts. There're ge-

nius, passion and elegance here, as well as a fair bit of fluff.

GRAHAM PARKER: THE MONA LISA'S SISTER (RCA). New tunes as tough and tender as a dime novel. Parker hasn't released an album since 1985, but this one makes up for a lot of lost time.

GERSHWIN: AN AMERICAN IN PARIS, RHAPSODY IN BLUE, CONCERTO IN F (Arabesque). Present at the creation as a player in the Gershwin band, Mitch Miller conducts George the way it ought to be done—with love and verve and gusto.

TELEVISION

OMNIBUS (ABC, May 26, 10 p.m. EDT). Beverly Sills is host, and Bernardo Bertolucci and David Hockney are among the subjects of this "cultural excursion" based on the 1950s series.

VREMYA (The Discovery Channel, May 29 to June 2, 9 p.m.

EDT). While Reagan and Gorbachev meet in Moscow, the Soviet Union's nightly newscast (its title in English: *Time*) will be transmitted to U.S. viewers for the first time.

THE TONY AWARDS (CBS, June 5, 9 p.m. EDT). Angela Lansbury is host of Broadway's biggest night. Battle to watch: *Into the Woods* vs. *The Phantom of the Opera* for Best Musical.

THEATER

SPEED-THE-PLOW. Playwright turned Filmmaker David Mamet returns to Broadway and skewers Hollywood. Singer Madonna stars as a temp secretary with big plans.

TEN PERCENT REVUE. After stagings around the U.S., this glimpse of gay life in lilting songs and wry, affecting lyrics arrives off-Broadway.

THE COCONUTS. Is that really Groucho, Harpo, Chico and

Zeppo? No, but Washington's Arena Stage has fuzzily reconstructed their 1925 Broadway hit with George S. Kaufman's script, Irving Berlin's score and some apt impersonations.

BOOKS

QUINN'S BOOK by William Kennedy (Viking: \$18.95). The author of the acclaimed Albany trilogy indulges himself in a picnic romp through 19th century scenes, both real and riotously imagined. And yes, much of the fun occurs in Albany.

THE DEATH OF METHUSELAH AND OTHER STORIES by Isaac Bashevis Singer (Farrar, Straus & Giroux: \$17.95). At 83, the Yiddish yarn spinner shows undiminished power to capture the peculiar din of human commerce.

ELIA KAZAN: A LIFE by Elia Kazan (Knopf: \$24.95). A bustling, bruising, unbridled autobiography by a leading film and theatrical director and force of nature.

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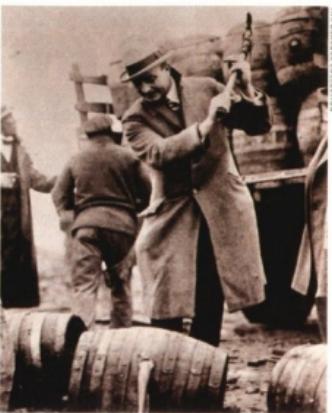
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TIME/MAY 30, 1988



ROBERT F. KENNEDY

COVER STORY

Thinking the Unthinkable

As frustration mounts over a failed policy, serious people are asking: Why not end the crime and profits by making drugs legal?

Neat little packets of marijuana, coke and even heroin nestling against the vitamins at the neighborhood drugstore? And selling at a low Government-set price with a guarantee of purity? It sounds like a black comedy or perhaps a gaudy hallucination. In fact, it is the extreme version of a new policy course being advocated in dead serious by a growing number of those frustrated by the futility of the drug war. The 74 years of federal prohibition that have passed since the Harrison Narcotics Act of 1914 have been a costly and abject failure, they say, and the effort is doomed. It has mainly served to create huge profits for drug dealers, overcrowded jails, a distorted foreign policy and urban areas ter-

rorized by bloodthirsty gangs. So why not end all these problems in a way that would save money, perhaps even raise it, and free more resources to treat addiction and abuse? Why not just make drugs legal?

Those who have begun to take this question seriously do not in the least want to condone, let alone encourage, drug use. The swelling chorus includes conservative scholars, police officers and city officials who would love to see a dope-free nation. But they feel that the best way to curtail drugs is to treat them as a public health problem rather than a criminal one. In the process, the Government could take the drug market out of the hands of the gangs that have turned large sections of

major cities into shooting galleries, in more ways than one.

Such talk horrifies many critics equally bedeviled by the drug dilemma. To them legalization is an immoral and dangerous policy that would vastly increase the number of addicts and turn the U.S. into a "society of zombies," in the words of New York Republican Senator Alfonse D'Amato. If drugs were freely available, what is now a nagging but contained problem could end up tearing apart the nation's social fabric.

Whether it is inspired or insane, drug legalization has become the idea of the moment. That in itself shows the intensity of the national frenzy that has erupted once again to do something—anything—



FRANK MICELOTTA



about drugs and related crime. Polls show drugs emerging as the hottest issue in the presidential election. In a New York *Times*-CBS News survey last week, 16% of those questioned called drugs the nation's No. 1 problem. It has direct political consequences: respondents thought Democrats would do a better job than the Administration in fighting drugs. They favored Michael Dukakis over George Bush, reinforcing a trend that first appeared in a *TIME* poll five weeks ago.

Campaigning in New Jersey, Dukakis sought to capitalize on this advantage, he walked with a hand-held microphone among 500 students at the Pine Brook Junior High School in Manalapan to preach an antidrug sermon. At a later press con-

ference, he once again criticized the Reagan Administration for cutting funds for antidrug programs.

Ronald Reagan was supposed to focus his commencement address at the Coast Guard Academy in New London, Conn., on the Moscow summit. Instead he talked almost entirely about drugs. The President attempted to drain some political emotion from the subject by calling for a bipartisan commission to study what could be done (ignoring the fact that antidrug programs already enjoy wide bipartisan support in Congress). Bush, meanwhile, toured a crack den in Los Angeles that had been closed by police raids and tried to sound tougher on drugs than anybody else—including his chief.

Prohibition: smashing bootleg kegs, 1924; busting a suspected crack dealer, 1988

For the first time, Bush publicly distanced himself from Reagan. In a carefully choreographed disagreement, the Vice President implied that he would not make a deal with Panama's Manuel Antonio Noriega; the Administration at the time was bumbling through yet another week of negotiations with the military dictator that would involve quashing American drug-running indictments against the Panamanian强man if he stepped down from power. Said Bush: "I won't bargain with drug dealers ... whether they're on U.S. or foreign soil."

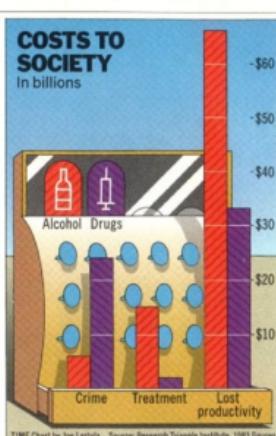
The get-tough approach scored a vic-

tory of sorts last week. A Florida jury convicted Carlos Lehder Rivas, a kingpin of Colombia's Medellin cartel drug empire, of conspiring to smuggle 3.3 tons of cocaine into the U.S. He could be sentenced to life plus 150 years in prison. But no one was so naive as to believe jailing Lehder would make a dent in drug smuggling. In Congress, a desperate search was under way to find something that might work. The Senate has followed the House's lead by voting 83 to 6 to force the military to participate in antimuggling efforts. Less certain is the outcome of an amendment to the defense appropriations bill, offered by D'Amato, to institute a federal death penalty for drug-related killings, an idea backed strongly by Reagan and Bush.

Such flopping around on all fronts has become increasingly ineffective. That, in part, is why drug legalization has suddenly emerged as an imaginable alternative. The case begins with a simple proposition: all wars on drugs are doomed to fail, no matter how many Viet Nam-style escalations the authorities order. It is a simple matter of supply and demand: as long as demand exists on the scale of the U.S. craving for, say, cocaine, someone is going to supply it, legally or illegally. Significantly, this line is voiced by a growing number of public officials who were once enthusiastic soldiers in the war on drugs but have been bitterly disillusioned.

Baltimore Mayor Kurt Schmoke claims to have "won thousands of convictions for drug-related crimes" during his seven-year career as a prosecutor. But it was he who started much of the furor over legalization by calling for a national debate on the issue in an April speech to the U.S. Conference of Mayors. For drug dealers, says Schmoke, "going to jail is just part of the cost of doing business. It's a nuisance, not a deterrent."

Joseph McNamara, police chief in San Jose, in the drug-ridden Silicon Valley, estimates that his department spends 80% of its time trying to enforce the drug laws. "The fight against drugs for the past 70 years has been one long glorious failure," he says. "The courts are overflow-



ing, there is violence on the streets, and the problem seems to be getting worse."

Indeed, say most proponents of legalization, the antinarcotics laws create an evil worse than the drugs themselves: violent crime. Laws to stop the supply do not prevent anyone who really wants cocaine or heroin from getting it. But they do permit the sellers to charge sky-high prices as a kind of risk premium. The high prices, in turn, produce enormous profits that irresistibly lure vicious gangs, who are taking over large areas of cities. The gangs employ armies of pushers who spread the very plague the drug laws are supposed to combat. Says Milton Friedman, guru of free-market economists and a Nobel prizewinner: "The harm that is done by drugs is predominantly caused by the fact that they are illegal. You would not have had the crack epidemic if it was legal." Finally, addicts too are irresistibly driven to crime—prostitution, mugging, burglary—to finance their habits.

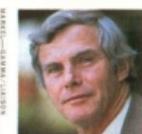
The great promise of legalization, say

its advocates, is that it would rip this cancer out of the cities. If drugs were legal, the Government could regulate their sale and set a low price. Addicts could get a fix without stealing, and a lack of profit would dismantle the booming criminal industry that now supplies them. Drug gangs would disappear as bootleggers did after the repeal of Prohibition; with them would go the current, pervasive corruption of police officers, lawyers, judges and politicians bribed by drug money. Drug dealing would no longer seem to be the only way out of the ghetto for underclass youths. Says Mayor Schmoke: "If you take the profit out of drug trafficking, you won't have young children hiding drugs [on behalf of pushers] for \$100 a night or wearing beepers to school because it makes more sense to run drugs for someone than to take some of the jobs that are available. I don't know of any kid who is making money by running booze." The bottom line for those favoring legalization: drug-related crime damages society far more than drug usage itself.

But many see benefits from legalization that go beyond easing the crime problem. Princeton Professor Ethan Nadelmann estimates that federal, state and local governments are spending around \$8 billion a year on direct drug-enforcement activities and billions more for such indirect costs as care and feeding of imprisoned drug dealers (people convicted of drug-related crimes constitute more than one-third of all federal prisoners). Legalization not only would save these enormous expenditures but also could bring in billions more in new revenues if governments chose to tax the sale of newly legal drugs (as they surely would). Nadelmann and others suggest that the money be used to fund an antidrug program that might actually work: a long, persistent educational effort of the sort that has reduced cigarette smoking, plus expanded treatment programs for drug abusers.

One of the most shocking deficiencies in the fight against drugs is that addicts who want to kick their habits often must wait months before being admitted

PRO



Schmoke: calling for a public debate

Nadelmann: addiction has an inherent limit

McNamara: 70 years of "long glorious failure"

Four reasons why

Costs. Some of the \$8 billion spent on interdiction and local enforcement could be used for education and treatment, which receive less than \$500 million.

Organized crime. Cocaine and marijuana sales bring drug lords more than \$20 billion each year. Legalization would wipe out their major source of funds.

Foreign policy. The U.S. drug habit generates \$2 billion in revenues for Latin American thugs. Crackdowns severely strain relations.

Revenues. Treatment programs could be financed by taxes on drugs, like taxes on alcohol and tobacco.

to a rehabilitation center, if they can find one at all. Legalization, say advocates, might at last give governments the revenue to fund rehabilitation and treatment adequately.

Other arguments for legalization differ widely depending on the speaker. That is hardly surprising, since the trend cannot properly be called a "movement." It is a very unorganized current of thought with adherents from every part of the political spectrum. Some extreme libertarians contend that the Government has no business telling citizens what they may or may not put into their bodies. A much larger group contends that it is hypocritical to ban narcotics while allowing the sale of alcohol and tobacco, two substances that, this group insists, kill far more people by undermining their health and, in the case of alcohol, lead to innumerable auto crashes, barroom brawls and savage family fights. "We've already decriminalized two drugs, alcohol and tobacco," says Harvard Law School Professor Alan Dershowitz. "Now it's time to decriminalize a third, heroin."

Some advocates contend that legalization will also help U.S. foreign policy. They assert, with some justification, that the futile effort to stop drug smuggling is poisoning American relations with such important and otherwise friendly Latin nations as Colombia and Mexico that have been unable or unwilling to crack down on the drug trade. Finally, on the left, some advocates contend that legalization would remove a severe threat to individual freedom that is posed by widespread drug searches, demands for wholesale testing and the pending use of the military to enforce drug laws. If the sale of narcotics is permitted, says Harvard Psy-

chiatrist Lester Grinspoon, "there won't be the tremendous encroachment on our civil liberties. Are we willing to sacrifice our freedom for the small increase in the number of people who may use the drugs under a legalized system?"

Advocates of legalization are still more disunited when it comes to spelling out a practical program, which hardly anyone has ventured to do. Democratic Congressman Charles Rangel, who represents a drug-riddled district in New York City's Harlem, poses a long string of questions for those who would legalize drugs. Among them: Which drugs should be permitted, just marijuana or the more damaging heroin, cocaine and angel dust? How would they be sold, by prescription through hospitals and clinics or in "drugstores," tobacco shops, even supermarkets? Would there be an age limit, and how would it be enforced? Would users be permitted to buy as much as they wanted, even if their demands became insatiable

as their addictions deepened? Or would there be some kind of so-many-grams-per-customer limit? If so, again, how would it be enforced? As long as these questions cannot be satisfactorily answered, says Rangel sarcastically, legalization will remain "idle chitchat as cocktail glasses knock together at social events."

Attempts to answer such questions scatter all over the lot. A common proposal is to handle the sale of narcotics in a manner similar to the sale of alcohol. The substances could be sold only by licensed dealers, who would be taxed and heavily regulated; for example, they would be forbidden to sell to anyone under 21 years old. But there are many variations. Some supporters would permit the legal sale of marijuana only; Washington Marion Barry might add cocaine but is dead set against legalizing PCP (angel dust). Economist Friedman would permit the sale of every imaginable brand of upper and downer at the local drugstore. Dershowitz would go so far as to distribute heroin free from mobile vans in inner cities to "medically certified addicts."

A good many people would stop short of full-scale legalization and opt for a rather vague concept known as decriminalization. It is generally taken to mean reducing or eliminating criminal penalties for the use and perhaps sale of drugs, while retaining some form of legal disapproval. Such a halfway solution might accelerate the problems that would come from legalization without solving most of those that arise from the current tough drug laws. Author Claude Brown (*Manchild in the Promised Land*), himself a former drug dealer, suggests decriminalizing the sale of drugs by hospitals and clinics in order to "deglamorize [narcotics]



Eyeballing the problem: Reagan on a Coast Guard cutter

CON

Four reasons why not

Exposure. Cheap, available drugs would increase addiction; only 10% of drinkers become hooked, while an estimated 75% of regular drug users could become addicted.

Exotics. Legalization could lead to the sale of synthetic drugs or derivatives like crack without any understanding of their effects.

Medical costs. The health costs of drug abuse, estimated at \$60 billion annually, would increase.

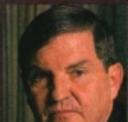
Social mores. Removing the legal strictures could make drug use socially acceptable.



Rosenthal: abuse would get out of control



Rangel: posing a long list of tough questions



Lawn: it's the drugs that are bad, not the law

Nation



The No. 1 campaign issue: Bush tours a Los Angeles crack house



Seizing the initiative: Dukakis talks drugs to high school students

use] and associate it with being sick. That would turn the kids off."

Intuitively and emotionally, the case for legalization may be hard to accept. Opponents insist that on a pragmatic and logical level it is also a dangerous and harebrained folly. Dukakis told several questioning New Jersey voters last week that he opposes legalization, and Reagan agreed in an interview with TIME and other newsmagazines. Said the President: "Oh yes, I am definitely against it. We're talking about something that destroys people's lives ... to the point that they're no longer normal human beings." Reagan drew an angry picture of future decadence: "You drive down the highway, and you look up, and there's a billboard, and it doesn't say JELL-O; it says TRY COCAINE. And your papers and your magazines [would be full of attractive ads saying OH, HAVE A BALL, GET STONED ON COCAINE, YOU'LL NEVER TRY ANYTHING ELSE]." Senator D'Amato earlier sardonically suggested some snappier slogans: "The weekend belongs to heroin," for example, or "This crack's for you."

little distinction is made between what is legal and what is socially condoned.

With the legal stigma gone, even law-abiding citizens would be tempted to experiment with narcotics. For one thing, it is much easier to resist the urge to try drugs when the purchase involves a drive into a dark and crime-ridden part of town to make a furtive connection in a garbage-strewn alley, much more difficult when the buy requires nothing more dangerous than walking into a pharmacy. And a large number of those who experimented would get hooked.

Opponents predict, the result of legalization would be an enormous increase in drug abuse, with all of its penalties of shattered health, families and lives. This belief, significantly, is particularly strong among many people who work with addicts. "To legalize drugs would give us a vast army of people who would be out of control," says Mitchell Rosenthal, president of Phoenix House, a New York City-based drug-rehabilitation program. "People say only 10% of those who drink are problem drinkers, so they assume that only 10% of the people who take drugs will become addicts. But there is no reason to believe that if we made crack available in little crack shops that only 10% would be addicted; the number would probably be more like 75%."

To risk such a debacle, in the view of many, is not just mistaken policy but morally wrong. Legalization, says Harvard Psychiatrist Robert Coles, would be a "moral surrender of far-reaching implications about the way we treat each other." Coles specializes in working with children and says they "need the societal order to say we stand for something." He fears that legalization would instead send a message of unrestricted hedonism. "I'm not prepared as a parent, as a citizen or as a doctor to say that," Coles asserts.

Opponents of legalization also turn the comparison with alcohol around. Sure, alcohol may be as dangerous as

some illegal drugs, but the very fact that it is so harmful to society is all the more reason not to add to the number of dangerous substances that can be abused. "We're just finally beginning to recognize what it means to use cigarettes," says Coles, "and to turn around and say it's all right to use heroin and marijuana is wrong."

John Lawn, head of the Drug Enforcement Administration, summarizes pithily: "Drugs are not bad because they're illegal. They're illegal because they're bad." The legal production and sale of drugs would threaten all of society. But there is, some say, an insidious racist aspect. Notes Lawn: "Anyone who talks in terms of legalizing drugs is willing to write the death warrants for people in the lower socioeconomic classes."

At least one person with still greater firsthand experience with drugs agrees. "Paul," a Los Angeles musician, has been using cocaine for three years and spends about \$300 a weekend on the drug. He readily admits that it is rapidly destroying both his marriage and his life. "I'm trying to gear myself up for seeking treatment," he says. But what would he do if the drug were legally available at lower prices? "I'd be dead right now," he says. "I'd just sit down with a big pile of the stuff and snort it until I dropped. Only a real cocaine connoisseur can appreciate what I mean."

Some advocates of legalization, like Professor Nadelmann, insist that there is a natural limit to addiction that will hold down any increase; those who do not have addictive personalities will not be tempted whether drugs are legal or illegal. But others fear the opposition just might be right. "I have a horrible feeling that addic-

What is the nation's most important problem?

Drugs 16%
Unemployment 8%
Federal deficit 8%



Source: CBS News, New York Times Poll taken May 5-12

decadence: "You drive down the highway, and you look up, and there's a billboard, and it doesn't say JELL-O; it says TRY COCAINE. And your papers and your magazines [would be full of attractive ads saying OH, HAVE A BALL, GET STONED ON COCAINE, YOU'LL NEVER TRY ANYTHING ELSE]." Senator D'Amato earlier sardonically suggested some snappier slogans: "The weekend belongs to heroin," for example, or "This crack's for you."

Actually, most advocates of legalization would ban drug advertising. But opponents argue vehemently that the very fact of legalization would constitute a powerful form of advertising. However loudly Washington might proclaim that it was not condoning narcotics abuse, the message that would come through on the streets would be "The Government says it's O.K." and that message would overpower any stepped-up educational efforts about the dangers of drugs. One peculiar aspect of modern American society is that

Which party is better at handling the drug problem?

Democrats 37%
Republicans 24%



If the election were today, who would you vote for?

Dukakis 49%
Bush 39%



message that would come through on the streets would be "The Government says it's O.K." and that message would overpower any stepped-up educational efforts about the dangers of drugs. One peculiar aspect of modern American society is that



BBQ Clinic

#1

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OIL UP THE GRILL

Keep your big feast from sticking by wiping the grill with vegetable oil before you start the fire.



GET HOT. STAY HOT.

Start with enough Kingsford Charcoal so a single layer will extend an inch past the cooking area in all directions. After 45 minutes add 12 new briquets around edge of hot coals. Move them in when needed. (Repeat every 1/2 hour)



SCORE A



GREAT STEAK

To keep your steak from curling, score the edge with a knife. And turn it with tongs to retain juices.



FIG. 1
AVOID PUNCTURING MEAT

PLAY THE CROWD

When the crowd begins to cheer, pass it off as if it were easy.

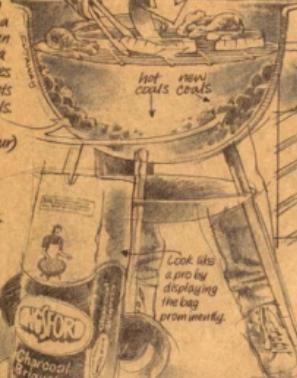


THE "TOUCH"

Touch food with tongs to see if it's done. When burgers and steaks feel soft, they're rare, medium if they give slightly, well when firm. Fish is done when it's flaky and opaque. Chicken will pull easily from bone.

TARGET GRILLING

Think of the grill as a target. Place foods requiring searing heat in middle, and foods needing less heat—and more grilling time—further out.



Look like a pro by displaying the bag prominently.

Ribs
Kabobs
Tomatoes

Chicken
Fish
Potatoes
Corn
Shish
Hamburgers

Lobster

SHIP US YOUR TIPS AND YOU
COULD BE IN OUR NEXT AD.

Kingsford:

"All grills love to build their own barbecue gardens. Some barbecue gardens for 20 more years can outlast a long-time barbecue." (Grills stay put better on wood.)

Peter Box
Mobile, Alabama

THE LINE UP.
Kingsford's all-star line up, including original Kingsford, Kingsford with Mesquite, and ready-to-light Match light, will help make your feast one to remember.



WHAT THE PROS USE.

Nation

tion definitely will increase," says Conservative Columnist William F. Buckley, who nonetheless advocates legalization because of the prospective drop in crime.

Yet some opposed to legalization doubt that it would really wipe out drug crime, at least to the extent that the supporters claim. The contention of those opposed: unless the Government allows users to purchase unlimited quantities of drugs anonymously—an idea that makes most legalizers squirm—there will always be a black market. The market might be broadened if, as many legalizers advocate, the Government taxed legal sales of narcotics. In addition, drug abuse even at legal prices would require money; few addicts could hold regular jobs, and many would thus continue to steal or prostitute themselves for drug money.

Another kind of crime might actually increase with the number of addicts: crimes committed by those whose minds are fuddled and emotions inflamed by drugs. Says President Reagan's drug adviser Donald Macdonald: "These drugs cause crime. PCP makes people crazy. Cocaine makes people paranoid. The airplane flying into the mountain in Durango with the pilot on cocaine, that will increase. Highway accidents, family violence, spouse abuse, child abuse, incest will all increase."

Opponents are particularly upset that the cry for legalization is rising just as some signs—faint and ambiguous, to be sure—indicate that the war on drugs might be gaining ground. In the University of Michigan's annual survey, the number of high school seniors who admitted to

having tried cocaine dropped from 12.7% in 1986 to 10.3% last year; among college students, the proportion fell from 17% to 14%. Perhaps more significant, 48% of high school seniors surveyed last year viewed cocaine as a "great risk," vs. only 34% in 1986.

The figures are not conclusive; they do not include dropouts, who would be much more likely to abuse drugs than youths who stay in school. Nonetheless, says Rudolph Giuliani, U.S. Attorney in New York and a celebrated prosecutor of drug cases, "it's a particularly strange time to raise the specter of legalization because we are finally beginning to change the drug culture of the 1960s and '70s." Legalization, he fears, would wipe out all the progress. "You can't say drugs are bad at the same time that you are making them

A New Mission Impractical: Zero Tolerance for Users

Sometimes it's the little things that count. How little? In San Diego last week U.S. Customs agents seized *Atlantis II*, an \$80 million research vessel once used to explore the wreck of the *Titanic* after a routine search turned up traces of pot in the shaving kit of a crew member along with two marijuanna pipes. The ship was returned, but only when its owner, the Woods Hole Oceanographic Institution, agreed to send Customs officials a letter supporting the antidrug campaign and promising to tighten security. Zero tolerance strikes again.

Even as some Americans were asking whether drugs should be legalized, a Reagan Administration under fire for fumbling the drug war was pushing penalties to unheard of lengths. Zero tolerance, as the two-month-old policy is called, directs the Coast Guard, Customs Service and other arms of the Federal Government to enforce existing laws to the utmost degree. That means seizing vehicles, boats and planes if just a speck of any controlled substance is found on board. By last week the Coast Guard and Customs had grabbed some 1,700 conveyances, including the \$2.5 million yacht *Ark Royal* and the good ship *Monkey Business*, famed as the holiday vessel of Gary Hart and Donna Rice. Those two ships were also returned, but the fate of hundreds of less celebrated transports still hangs in the balance.

Laws that permit federal authorities to confiscate criminal assets have been used with great success in recent years to hit Mafia bosses and drug dealers where it hurts—in their profits. But the law allows government agencies to carry out "administrative seizures" that do not require the owner to be convicted of any crime. Police and federal agents in New York City and Los Angeles have been using that method to impound the cars of drive-in drug buyers whose purchases would bring merely a misdemeanor charge in court. U.S.

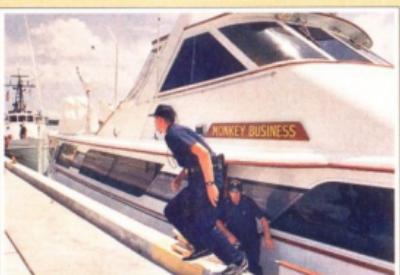
Customs Commissioner William von Raab, who proposed zero tolerance to the White House drug-policy board after a successful pilot program in San Diego, says its purpose is likewise to put pressure on drug users who ordinarily are not reached by criminal penalties. "We have legalization of drugs now," says Von Raab, "because people aren't being prosecuted."

Even among those charged with executing the antidrug measures, however, the string of government seizures can seem excessive and unfair, especially when they involve owners who may have had no idea that drugs were on board. "Say my kids go out and one of their friends leaves a roach in the ashtray," says Joseph McNamara, chief of the San Jose police department. "How would I know?" Federal agencies often return property when owners can show they knew nothing about the drugs involved, but they are not obliged to. And the rules that govern agency hearings are different from those that prevail in a courtroom: it is up to the accused to prove their innocence. "We have a rule in American jurisprudence that the penalty fits the crime," says Colleen O'Connor of the American Civil Liberties Union. "Confiscation of millions of dollars in property for a joint doesn't fit."

Not to be outdone by the White House in an election year, however, the House of Representatives last week approved amendments to three spending bills that would hold federal funds from workplaces where drugs are found. One of the workplaces cited was Congress itself, which led to boozing and cheers in the august halls when the relevant provision was adopted by a vote of 286 to 98. Opponents claimed that it could lead to the defunding of government functions merely because House staffers were caught with drugs. But why not? When it comes to confiscation, everyone is in the same boat—or plane. If a joint were discovered aboard the *Queen Elizabeth II*, says Michael Fleming, spokesman for the Customs Service in Los Angeles, "Technically, we may have the authority to seize it."

—By Richard Lacayo.

Reported by Jon D. Hull/Los Angeles and Elaine Shannon/Washington



Monkey Business: one of thousands of vehicles seized

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the flavor is.

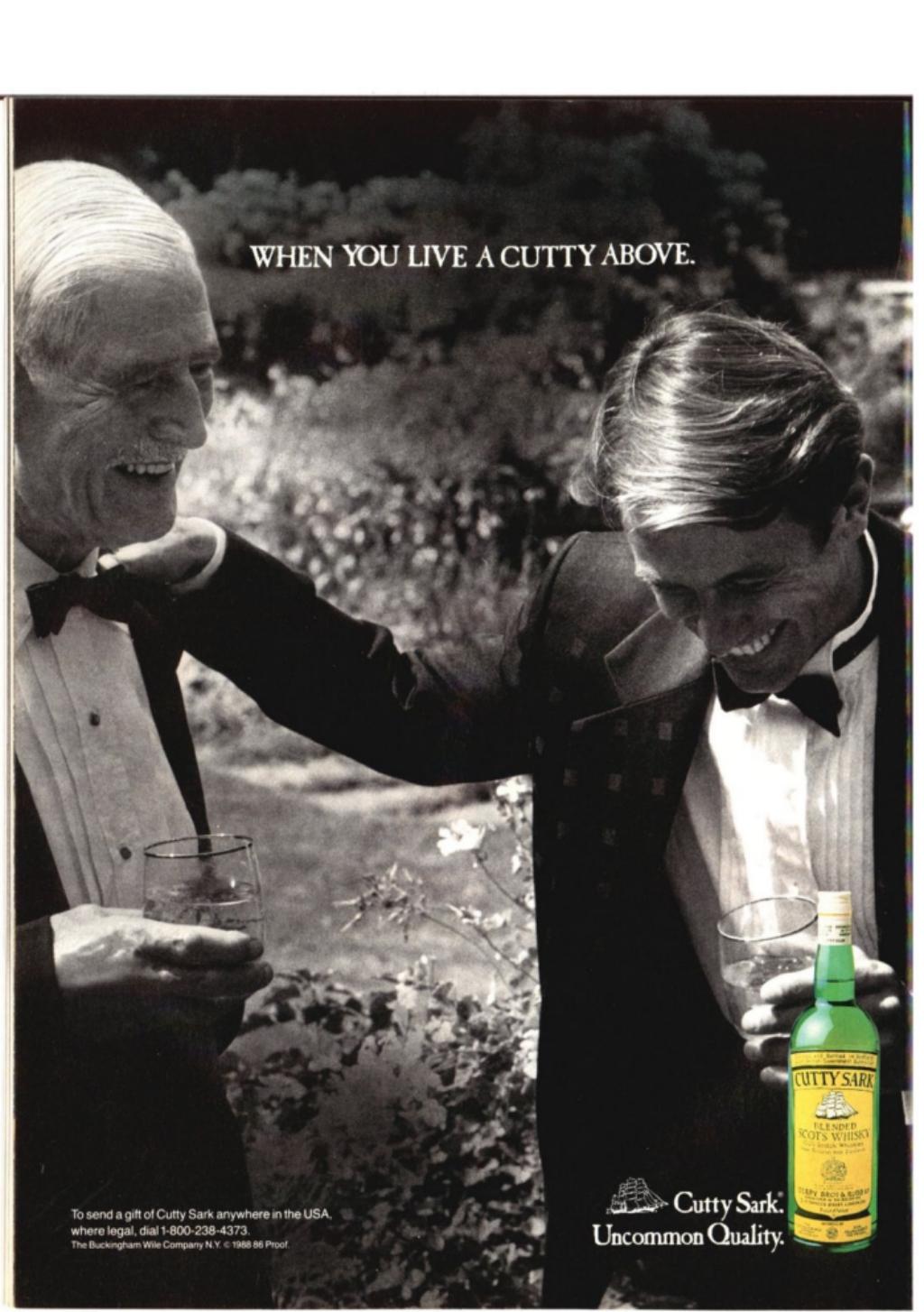


Marlboro Red or Longhorn 100's
you get a lot to like.



SURGEON GENERAL'S WARNING: Quitting Smoking
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av. per cigarette, FTC Report Feb. '85



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legal. Law is a teaching instrument, among other things."

The legalization debate, to some extent, pits proponents, who would accept more drug abuse as the terrible price of reducing crime, against opponents, who would accept a continued high level of crime as the equally dreadful price of holding down addiction. In fact, neither side can be sure to what extent legalization would reduce crime and increase addiction, unless it is tried. But the idea is risky, exceedingly risky.

More fundamentally, the debate is over the role of law in upholding the nation's moral fabric. One function of the law is to express society's moral disapproval of or repugnance to an activity. Although that may sometimes conflict with personal freedom or even pragmatic considerations, it is still a principle that helps order American society, as it does every civilization.

The emergence of a strong and cogent case for drug legalization, even if it is a misguided approach, has pointed out a real and serious fault in current policy. It is heavily unbalanced in favor of ineffective attempts to cut the supply through police action, while neglecting potentially more effective efforts to reduce demand through education and treatment. Says Minneapolis Mayor Donald Fraser: "Personally, I'm not willing to say drugs should be decriminalized. But investing large amounts of money to interdict supply obviously is not working. We've spent over \$300,000 in the past few months in police overtime alone raiding crack houses. We've brought in front-end loaders to knock down walls to get into some of these places, but as soon as we put one out of business, another springs up. We need to direct more attention from interdiction efforts to educating the user to re-

ject drugs." Giuliani, while favoring more enforcement and tougher penalties, in part agrees. Says he: "We spend less than \$500 million on treatment and education, and that is nowhere near what needs to be spent."

So even though corner drug shops are not going to pop up anytime soon, nor should they, the hot new debate over legalization is a significant one. It reflects the widespread and understandable dismay over antidrug efforts that have gone to such disconcerting lengths as to call in the military without noticeably making a dent in the crime and abuse problems. And it could turn attention to the need for more effective treatment and education efforts, rather than merely more election-year frenzy and posturing. —*By George J. Church.*

Reported by Jon D. Hull/Los Angeles, Elaine Shannon/Washington and Janice C. Simpson/New York

A New Mission Impossible: Seal the Border in 45 Days

As illegal drugs pour across America's borders, frustrated lawmakers ask an understandable question: Why not unleash the world's mightiest military machine to tackle the task of protecting the nation from this invasion? Thus the House earlier this month passed a wondrously simple antidrug amendment that directs the President and Secretary of Defense to "substantially halt" drug smuggling by air and sea within 45 days. The Air Force and Navy would "locate, pursue and seize" all vessels carrying drugs and "arrest their crews." The military would also provide blanket radar coverage of the entire southern border to detect nighttime flights of contraband. Presto. Pass a bill. Problem solved.

Deliberating under the less hallucinatory guidance of Georgia's Sam Nunn, the Senate approved a more realistic role for the military. The Defense Department would be designated the lead agency for air and sea surveillance of drug carriers and would be required to provide an "appropriate increase" in flying hours for its radar aircraft. Under certain conditions outside U.S. territorial waters, the Navy could arrest smugglers.

Both provisions are amendments to defense authorization bills. The more workable and sensible Senate version is likely to prevail. Nevertheless, it gives to the military a far greater role than it wanted in drug interdiction. The Pentagon, eager to avoid the nasty work altogether, yielded to pressure from the White House to accept it. One objection: law enforcement is traditionally a civilian function in a democracy. The military also contends that the costs would be high, the peripheral training from the new duties would not be relevant to preparing for war, and the Air Force does not have the right aircraft for the task. Still, Pentagon spokesman Dan Howard concedes: "We're prepared to do more. But that requires resources." Even before knowing just what they will be required to do, some Pentagon



An AWACS eye-in-the-sky plane: available at \$7,500 an hour

officials are floating a scary price tag: \$2 billion a year.

The military interception capabilities are more effective at sea than in the air. One reason: a smuggling vessel can be tracked for a day or more, providing ample time for the Navy to reach, stop and inspect it. But some border-hopping Cessnas can fly to their unloading airstrips and slip out of the U.S. again in half an hour. Even if Air Force radar planes such as the AWACS or E-2C surveillance craft spot the intruders, there is not much time to alert lawmen on the ground, get them to the strip and make arrests before the drug traffickers flee. The cost of keeping an AWACS in the air, moreover, is about \$7,500 an hour.

For interception, the only Air Force jets with the right type of radar to detect low-flying planes are supersonic; but if they slow to the 150 m.p.h. of the suspect prop planes, they will be near stalling speed. Even then they could do little but frighten the smugglers. The possibility of downing innocents almost certainly would preclude any shoot-to-kill orders to Air Force pilots.

In fact, the U.S. Customs Service and Coast Guard have more effective aircraft for this job (Black Hawk helicopters and Cessna and Falcon jets) but they need more of them for better coverage. One other practical tactic: the use of tethered balloons with look-down radar (called aerostats). Seven, already authorized by Congress but not yet operational, could cover the border and part of the Bahamas.

Operating on a more limited scale under a 1986 antidrug law, the Navy and Air Force flew 16,300 hours in surveillance flights last year. The Navy devoted 2,500 ship-days of patrolling with Coast Guard officers aboard to make drug arrests. Military interception gear and intelligence were shared with civilian agencies. The cost: \$67 million.

The beleaguered Customs Service welcomes the prospect of more military help. "It's great; we need 'em," says Deputy Customs Commissioner Michael Lane. "They can help significantly." But he has a terse word for any 45-day deadline in closing the border to drugs: "Lunacy." —*By Ed Magnuson.*

Reported by Jay Peterzell/Washington

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The Presidency

Hugh Sidey

Why Meese Should Leave

Ed Meese makes a lovely target. Broad and a bit blubbery, trusting and more than a shade bumbling, the Attorney General is planted firmly atop the disintegrating ramparts of the Reagan Administration. He is the last centurion of the far right who stands out there, his banner still thrust high.

Meese believes he can defy history. He still does not quite understand what he has done wrong, how he has transgressed. His voice over the telephone is cheery. "If you ask people around the country what it is that Ed Meese did wrong, few could tell you," he insists, booming into the line. "There are a lot of people out to get Ronald Reagan. One way is to get those close to him. The closer you are to Ronald Reagan, the more part of his policies you are, the greater a target you become. And the more resistant you are to that, the harder your enemies try."

Independent Counsel James McKay will soon issue his report on Meese's messy finances and unseemly concern for the friends of his friend, indicted Attorney E. Robert Wallach. McKay has already said he will not recommend indictments. But the report may demonstrate ethical insensitivities on Meese's part that will send the capital into another righteous convulsion. Virtually no Cabinet officer in memory has survived such trauma. The damage to Reagan's legacy, to the Republican Party and to Vice President George Bush's troubled presidential bid has already been severe.

Most of Washington, including a growing number of his fellow conservatives, wishes the Attorney General would quietly leave the field. But like General Ulysses Grant, a warrior Meese greatly admires, he seems determined, as Grant said down in Virginia, "to fight it out on this line, if it takes all summer." On that he is backed up so far by the President, who is being placed yet again in the awkward position of choosing between what is best for his presidency and protecting a loyal spear carrier.

Meese sees his antagonists as the traditional liberal assault forces, in league with the media. They come on, in his view, in a set piece of political attack. First, a selected victim is branded as controversial. Then he is labeled an embarrassment to the Government. Finally it is said the fellow has to go. If that tactic proceeds much further unchallenged, Meese believes, such forces will soon paralyze any Government. "I am going to continue the leadership of the Department of Justice," he says. "I am going to wait until the prosecutor's report is issued, and then I am going to stand up as long as I have to and get the facts out. I am going to answer any question that anybody wants to ask."

It is a painful drama to watch. Meese is not, at heart, an evil or fundamentally dishonest man. Unlike some others who have surrounded Reagan over the years, he has not

sought to cash in his position for great wealth. But he is careless, perhaps uncomprehending, too hurried and a bad judge of people, events and ethical strictures. Whether or not he has committed a crime, he has too often proved blind to the elevated standards expected of the top law officer in the land. The improprieties are easy for the public to understand: he appeared to help friends who helped him financially.

Along Pennsylvania Avenue, a powerful sympathizer muses that "Ed Meese is one of the nicest people I ever met. He is decent, hardworking, trying to help people all the time. But he does some dumb things. I hope when the report comes out the President puts his arm around Ed and says, 'This vindicates Ed. Now he's tired and wants out. I agree.'"

Battle fatigue may be part of Meese's problem, though he did not see it in himself even as he fired his spokesman Terry Eastland a fortnight ago. It was a bizarre performance. Eastland, a respected conservative, had no inkling that Meese was unhappy with him. Summoned to the Attorney General's office, he walked in innocently, the man with the longest tour at Meese's side of any of the senior staff. It was as if Meese did not know him. And so Eastland became the eleventh top aide to quit or be fired from Justice in two months.

"A siege mentality now," offers another friend. "Meese has dug in. He's going to shut the door on the place when Ronald Reagan leaves. He's never wavered, nor should he."

But at a time when the capital is savagely partisan and gleefully destructive, a perambulating target as juicy as Meese just may not survive. Nor should he. He would do well to leave for his own best interests. "Part of the responsibility of a political man," says the political sage Richard Scammon, "is to take his lumps, whether he deserves them or not. He may be pure as the driven snow and his enemies totally unfair. But who ever said that fairness was a part of this game?"

Meese does not rage when he hears this talk. He is watching the numbers produced by Republican Pollster Richard Wirthlin. So far the Meese issue is only a tiny blip, far below public concern about drugs and jobs. He was rumbling down Pennsylvania Avenue in his limousine last week when an aide showed him a piece of wire copy, quoting Connecticut's Republican Senator Lowell Weicker, who was traveling with Reagan on Air Force One. While saying he would wait for the McKay report before suggesting Meese should resign, Weicker snorted, "I've been battling the son of a bitch ever since he became Attorney General. I don't like him." Meese read the lines and chuckled. "I've known Lowell for 35 years," he said. "I went to college with him [at Yale]. He hasn't changed."

Neither, apparently, has Meese. And neither, apparently, has Reagan. But the time has come when one or both should act to end this debilitating episode.



He is careless, too hurried and a bad judge of people, events and ethical strictures

Alexander Graham Bell, Call Home

How the communications era came to a crash in Hinsdale, Ill.

The good news in Hinsdale last week: teenagers did not tie up the telephone lines. The bad news: there were no lines.

Since a Mother's Day fire destroyed a major Illinois Bell switching station west of Chicago, 35,000 people have learned how inconvenient and nearly unmanageable modern life can be without phones. Fax machines went down. Credit-card verification systems blinked out. Automatic cash machines popped up electronic apologies: OUT OF SERVICE. Houses were not sold, dental appointments not made, pizza not ordered.

This communications Stone

Age disconnected more than Hinsdale. More than half a million other suburban residents could not make long-distance calls, or even ring up nearby Chicago. O'Hare Airport endured two days of flight delays when controllers lost contact with the air-traffic control center in Aurora, Ill. From posh Oak Brook, where companies like McDonald's have their headquarters, to the high-tech corridor along the East-West Tollway, circuits were jammed for days.

In Hinsdale and surrounding communities, residents desperate to talk to the outside world lined up at temporary tele-



Call rationing: Hinsdale residents line up at temporary booths

"Illinois Bell owes the public some answers."

phone booths, waiting up to an hour to make calls limited to five minutes apiece. "My cousin had a baby yesterday," sighed Janet Smith. "I don't even know yet whether it's a boy or a girl." Behind her stood Michael Derrane, an insurance salesman looking a bit frazzled at the edges. "I've come here three hours a day for the past two weeks," he said.

Local merchants could no longer let their fingers do the walking. "I drove to 30 offices the other day to post a new listing," meant Real Estate Broker Marge Novak. To cope with municipal business, Hinsdale Village Manager Ron Ruskey

installed a cellular phone in his briefcase. Eight police cars with two-way radios were posted to permanent stations around town to help residents report emergencies. When students realized that attendance officers could not call home to check up on them, Hinsdale schools reported a sudden surge in truancies. Patients found they could not call their doctors, and the emergency room at the local hospital experienced a sudden surge in admissions.

By week's end, service had been restored to most of the affected area. Illinois Bell announced that it had reconnected at least limited phone service to all but a few hundred customers. The company promised to replace the switching equipment in Hinsdale completely by mid-June. That was not enough for Attorney General Neil Hartigan, who filed a petition with the state commerce commission demanding compensation of telephone customers affected by the outage. Declared Hartigan: "Illinois Bell owes these people some relief, and it owes the public at large some answers."

If the Hinsdale telephone system could go down so easily, some wondered just how vulnerable other crucial communications hubs around the country might be. Without Ma Bell, Hinsdale discovered, a community can quickly become an orphan of the electronic age.

—By J. Madeleine Nash/Hinsdale

Grapevine

Pass the delegate, please. Jesse Jackson's forces have been complaining about what they see as the unfairness of the super-delegate system, to wit: Michael Dukakis is getting most of the party leaders. Now the Jackson camp has sent word to Dukakis that he would be wise to help Jackson round up a fair portion of the delegates. A top Dukakis staffer notes dryly, "They are asking us to get elected officials to vote for our opponent. We're not inclined to do that."

Lanced. Jackson and Professional Good Ole Boy Bert Lance were always an odd duo. Lance, who has helped advise Jackson, was thought to symbolize the candidate's new, expanded constituency. But his influence has been waning. His name was nowhere to be found when Jackson's convention team was announced.

Press secretary wanted. Both Dukakis and Bush achieved their victories without full-fledged press secretaries. Last week Dukakis decided to give a tryout to Dayton Duncan, an affable former deputy spokesman for Walter Mondale. But Bush is still hunting. Campaign Press Chief Peter Teeley, who works on contract, has been leading the search. He has sent out feelers to ABC Vice President Patti Matson, Newsweek Correspondent Tom De-

Frank and Edwin Dale, former spokesman for the Office of Management and Budget. Among the reasons there have been no takers: whoever accepts the job is destined to remain in Teeley's shadow.

What is small and cheap and . . . ? The straphanging Massachusetts Governor has finally agreed to accept Secret Service protection, but Dukakis wanted to interview the agents proposed for his team, which he insisted should include a representative racial and sexual mix. The Secret Service nixed the interviews and noted that it is an equal opportunity employer. In choosing Dukakis' code name, they also got the last laugh. While Bush is known as "Timberwolf," the short, frugal, Spanish-speaking Governor is called "Peso."



Back in April, Bert Lance was an insider on Jesse Jackson's campaign plane

Exit right. Stanford University has never been a comfortable host of the conservative Hoover Institution or its director, W. Glenn Campbell, handpicked by Herbert Hoover 28 years ago. Now, with Campbell's pal Ronald Reagan retiring, the university wants Campbell to do the same: a letter with the unanimous backing of the board of trustees was hand delivered to him last week saying that he must step down when he reaches 65 next spring.

American Notes



TIME/LIA/THOMAS BOURG

NORTH CAROLINA On Peachland's mountain of secondhand clothing, William Gordon hunts for bargains

NORTH CAROLINA

For \$5, All You Can Wear

Forget Filene's Basement, forget Lehrmann's. The ultimate in off-price shopping last week was to be found in Peachland, N.C. There, under the open sky, lay some 120 tons of used clothing at a price buyers could not refuse: free.

A clothing distributor in the Bronx had found it cheaper to turn rejects over to a trucker deadheading back to North Carolina than to dump the stuff in New York. Enterprising Wheeler-Dealer Lee ("Red") Wright spread the bales over a one-acre field. Last week Wright was collecting a \$5 parking fee, then permitting ragpickers to take away whatever they could carry. There were a few drawbacks: no dressing rooms, no alterations, and the "as is" nature of the merchandise, a condition likely to worsen as time and weather take their toll. But never mind. Bargain hunters jamming local roads certainly did not.

ILLINOIS

One Lunatic, Three Guns

Killing sprees have become grimly commonplace in the U.S., but last Friday's horror in Winnetka, Ill., was particularly

searing because the victims were schoolchildren. It began when Lori Dann, 30, shot and wounded an eight-year-old boy in the bathroom of the Hubbard Woods Elementary School. Dropping one pistol, she entered a second-grade classroom, where she opened fire with another revolver, killing one youngster and critically wounding four others. Dann fled to a nearby household, where she shot one occupant and barricaded herself in the building alone. When a police SWAT team finally burst in about seven hours later, Dann was found dead. She had shot herself through the head with her third gun, a .32-cal. revolver.

A native of nearby Glencoe, Dann was suspected by authorities in a 1986 ice-pick attack on her estranged husband, although she was never charged. The FBI wanted to question her about making threatening telephone calls, and in March she had been picked up in Madison, Wis., for shoplifting. On Friday morning Dann delivered poisoned food to several homes and college fraternities. She then set fire to a house where she had worked as a baby-sitter, temporarily trapping her former employer and two children in the basement (they escaped by smashing a window). Dann drove six blocks to the school; she may have been searching for her employer's other two children, who were away on field trips. Left behind in the bloody school bathroom after

the rampage was Dann's .357 Magnum, for which she had a permit. Asked Winnetka Police Chief Herbert Timm: "How did a woman with that kind of background, get licensed to carry a gun?"

LIBRARIES

Spying in The Stacks

Library Awareness Program sounds like a high-minded effort to get kids to check out *Huckleberry Finn*. Actually, it is an FBI counterespionage effort. In a 33-page report issued last week, the bureau declared that stacks of the United Nations' Dag Hammarskjöld Library, the New York City Public Library and the Library of Congress, among others, are haunted by Soviet agents who snitch sensitive research. Spies also prowl libraries to spot recruits—such as the Queens College student approached in New York City by Gennadi Zakharov, the Soviet diplomat who was arrested in 1986 and exchanged for Journalist Nicholas Daniloff.

Now it has become spy vs. spy in a battle of the bookshelves. The FBI wants to enlist librarians to inform on Soviet nationals or other suspicious characters who check out technical books. No way, says the American Library Association, which calls the program "an unconscionable and unconstitutional invasion of the

rights of library users." FBI Director William Sessions vows to continue his efforts: "We will go wherever our intelligence takes us."

CANDIDATES

Ugly Threats For Jackson

As Jesse Jackson has sprinted to the front ranks of the Democratic presidential race, Secret Service agents have checked out at least 100 death threats against him. Last week some of those ugly words proved alarming. In St. Louis a federal grand jury indicted Construction Worker Londell Williams, 30, of Washington, Mo., for boasting that he planned to assassinate Jackson "because he was getting too close to being President." Williams and his wife Tammy, 27, were also charged with possessing an automatic rifle and threatening a Government informer.

Williams, who admits he is "prejudiced against anything that isn't white," had claimed that he was acting on orders of the Covenant, the Sword and the Arm of the Lord, a white supremacist group that authorities broke up in 1985. Behind bars, Williams insisted that was loose talk, and the Secret Service was inclined to agree. Said Secret Service Spokesman Rich Adams: "There is no organized plot out there to assassinate Jesse Jackson."



World

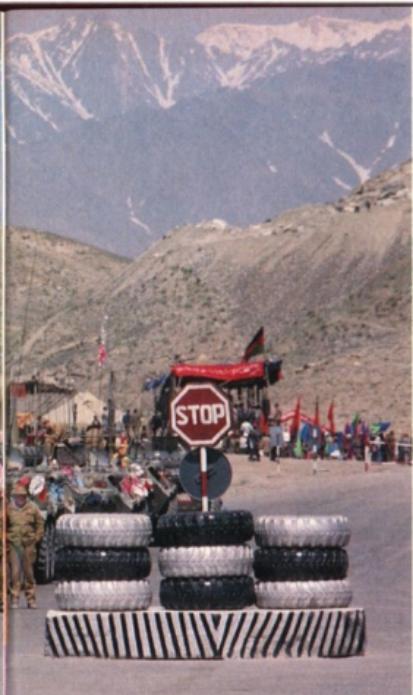
EAST-WEST

All Roads Lead to Moscow

Ivan comes home from Afghanistan, just in time for the Reagan summit

The street near the American ambassador's residence, where Ronald Reagan will be staying, has been repaved. Buildings opposite the Kremlin have been repainted in pastel colors. Even the grassy boulevard in front of a home Nancy Reagan may visit has been replanted. Like latter-day Potemkin village, Moscow last week was being spruced up for next week's summit meeting between Reagan and Soviet Leader Mikhail Gorbachev. But the most noteworthy preparation for the superpower sit-down was in progress about 2,000 miles from the Kremlin on the dusty, sunbaked plateaus of northern Afghanistan. There a convoy of nearly 300 tanks, trucks and armored personnel carriers rumbled across the border into the motherland as the Soviet army began a retreat from its disastrous 8½-year effort to prop up Afghanistan's tottering Communist government. The first phase of the withdrawal, involving 25% of the 115,000 Soviet troops in Afghanistan, is to end May 29, which just happens to mark the beginning of the four-day summit.

With the pullout from Afghanistan under way, a contentious issue in East-West relations has become a mere footnote to the summit agenda. The withdrawal lays the groundwork for what may be the most



The Long Goodbye

Under a searing early-morning sun, weary Soviet troops piled out of a long line of armored personnel carriers in Kabul last week to listen to officials praise them for doing their "internationalist duty" by fighting in Afghanistan. After being garlanded with flowers and pinned with medals, the soldiers then headed north along the Salang Highway and over the Soviet border. "I can understand why we came," said one. "But I am glad that at last it is time to go home." Under an agreement signed last month, all the Soviet troops are scheduled to depart from Afghanistan within nine months



amiable—and least productive—of the four superpower meetings that have punctuated the Reagan presidency.

When the Moscow session was scheduled last March, there were hopes the two leaders might be able to sign a groundbreaking treaty on long-range weapons. But the Strategic Arms Reduction Talks in Geneva have proved so complex that a treaty anytime soon is considered unlikely. The remaining points of disagreement include establishing verifiable limits on air- and sea-launched cruise missiles, placing mutual restrictions on deployment of mobile missiles and, of course, working out an acceptable link between START and Reagan's cherished Strategic Defense Initiative. The START treaty is about 90% complete, but as TIME Washington Bureau Chief Strobe Talbott points out in the following story, the last 10% is so troublesome that a final agreement may not come until after Ronald Reagan has left the White House.

Reagan and Gorbachev are expected to use the Moscow talks to issue a detailed status report specifying what issues have and have not been resolved. As Reagan said in an interview late last week, "We'll try to see if we can't come up with some help for the people [in Geneva] that have been handling the details of this."

Since no START agreement is in sight, the highlight of the Moscow meeting will probably be a replay of last December's summit in Washington: the signing of the final draft of the Intermediate-Range Nuclear Forces Treaty to abolish medium- and short-range nuclear missiles. Only a few weeks ago, hopes were fading that a skeptical U.S. Senate would ratify the treaty in time for the summit. But prospects brightened when Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze were able to work out last-minute questions about verification.

When the treaty reached the Senate floor last week, 90 lawmakers were ready to vote yes. A group of Democratic Senators, miffed at Reagan's reinterpretation of the 1972 Antiballistic Missile Treaty, has proposed an amendment that would prohibit any future President from reinterpreting the INF accord. But the largest obstacle to speedy approval remained the staunch opposition of a group of right-wing Senators led by North Carolina Republican Jesse Helms. One of Helms' more imaginative objections: that Party General Secretary Gorbachev, because he is not head of state (technically, President Andrei Gromyko is), had no right to sign the treaty.

With no major new arms-control pact

ready to be signed, the Moscow summit promises to be devoid of drama. Instead, it will consist mainly of the signing of protocols and agreements on trade and cultural exchange. "It is, after all, a rather ceremonial affair," said a Soviet editor. "It is a chance for your President to see Moscow. He is welcome." Reagan will attend the Bolshoi Ballet, visit a monastery and field questions from students at Moscow State University. First Lady Nancy will travel to Leningrad.

There will be few fireworks over what summitters call "regional issues." Besides its Afghan pullout, the Kremlin is eager to wind down other conflicts that are a drain on its treasury, particularly those in Angola, Ethiopia and Kampuchea. In the area of humanitarian concerns, U.S. complaints are likely to be pro forma. Jewish emigration, one barometer of Moscow's human rights record, is now high. In April, 1,086 Soviet Jews emigrated, the biggest monthly total since 1981.

Among senior Administration officials there was speculation that Gorbachev would stir up a bit of excitement by announcing a unilateral withdrawal of some Soviet troops—perhaps as many as 75,000—from Eastern Europe. Such a move would be consistent with the Soviets' vigorous courtship of Western Eu-



On Their Own Again

The Afghans have lost a million lives in the civil war that has ravaged their country for almost nine years. Once the Soviets leave, the government of President Najibullah is given little chance of holding out against the Islamic rebels. At left, Afghan officers on a dais wave farewell to departing Soviet soldiers; below, a memorial plaque and sash honoring a Soviet trooper killed at Khost



rope. As the Soviet Ambassador to West Germany, Yuli Kvitsinsky, put it last week, the Kremlin is eager to replace "the image of the enemy" with "the image of the friend."

In part, Moscow is intent on placating its foreign antagonists because Gorbachev would rather spend his energy on reforms at home. As the meeting with Reagan drew nearer, Soviet leaders were preoccupied with an even more crucial domestic summit, the Communist Party Conference set for June 28. Last Thursday the Politburo decided to call a plenum of the 307-member Central Committee to discuss the party conference.

At issue during the June meetings will be the future pace of *perestroika* (restructuring) and *glasnost* (openness), the twin towers of Gorbachev's ambitious program of internal reform. It is crucial to him that the 5,000 delegates to the party conference represent what he likes to call "new thinking." U.S. analysts note that the Soviet leader has achieved remarkable success in shaking up a hidebound leadership. According to one estimate, during his three years in office Gorbachev has replaced 40% of the Central Committee, 90 of the 157 regional first secretaries and 72 of 101 members of the Council of Ministers. But his program is still being held back by party conservatives outside the major cities. "Every step is a struggle for Gorbachev," said a U.S. official. "He can't relax for a moment."

This internal struggle, carried on for

the most part out of the public eye, explains some of the inconsistencies of Gorbachev's reform moves. While he cautiously moves toward a less rigid centralization of the Soviet economy, his program has in fact further centralized decision making. The idea is to keep those decisions out of the hands of conservative regional officials. While George Orwell's *Nineteen Eighty-Four* is now available, most of the works of Alexander Solzhenitsyn, the exiled Soviet novelist and winner of the Nobel Prize, are still banned. *Glasnost*, it is clear, can go only so far without provoking retrogressive reaction. For that reason, Sergei Grigoryants, editor of a dissident journal named *Glasnost*, was jailed for a week earlier this month. When he was released, he discovered that the house from which he had published his journal had been sealed by the KGB and all his printing equipment smashed.

After three years of bureaucratic successes, few expect Gorbachev to lose ground in the upcoming party conference. "He is the consummate politician," said one Western diplomat in Moscow. But the Soviet leader could be brought low by circumstances beyond his control. Last week renewed unrest flared in Nagorno-Karabakh, the Armenian enclave in the Soviet republic of Azerbaijan; the Communist Party at week's end dismissed the party leaders of the republics of Armenia and Azerbaijan. The continued turmoil suggests that Gor-

bachev's decision to allow dissent among ethnic minorities could still return to haunt him. So could the withdrawal from Afghanistan, especially if it were to result in a takeover in Kabul by the fiercely anti-Soviet, fundamentalist Islamic *mujahedin*.

Even as the first contingents of Soviet soldiers moved toward the border last week, the rebels began marshaling their forces. "The *mujahedin* are just gobbling up territory in the eastern provinces near Pakistan," said a Western diplomat in Islamabad. By week's end the rebels had overrun dozens of military posts abandoned by the hapless Afghan army and had besieged several important provincial towns. If the insurgents can take Jalalabad, a major town along the main supply route from Kabul and Pakistan, the capital itself may eventually fall.

Most Soviet citizens are gratified to see their sons and brothers leave an unpopular war, which officials in Moscow acknowledged last week had cost the lives of as many as 15,000 Soviet soldiers. Although they have tried to put a good face on it in public, conservative Soviet leaders must regard the withdrawal from Afghanistan as the worst setback for the Soviet army since World War II. In the political wars Mikhail Gorbachev is fighting in Moscow these days, a successful summit with Ronald Reagan just might help distract attention from the ignominy of the Afghan defeat.

—By Michael S. Serrill
 Reported by James O. Jackson/Moscow and Bruce van Voorst/Washington



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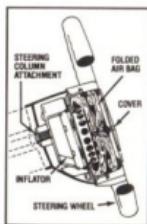
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Inside Moves

Even without a strategic arms pact, the superpowers are well on their way to a Grand Compromise.

How did they get this far?

With guts, guile—and great difficulty

BY STROBE TALBOTT



TWO LEADERS AT THE '87 SUMMIT

For once the sherpas have been understating their accomplishment. Those on both sides who have been making the preparations for next week's Moscow summit say no final deal or formal treaty will be signed there. At best, President Ronald Reagan and General Secretary Mikhail Gorbachev will agree to a framework for further negotiations. Their satisfaction, it is said, will have to come from the knowledge that their fourth meeting marks a significant warming trend in Soviet-American relations, as well as a new record for the number of meetings between the heads of their two nations.

In fact, what has already been achieved is nothing less than a major breakthrough—an important and promising feat in its own right, and all the more extraordinary against the history of the relationship. As recently as 1984, the arms-control process had collapsed. Washington and Moscow were barely speaking. Now the main provisions of an unprecedented treaty that would significantly reduce the largest, most powerful and most dangerous weapons on earth—intercontinental ballistic missiles (ICBMs)—have been committed to paper.

The pact is more than 90% done. Of course, the remaining 10% includes some tricky issues, and it may be there, in those details, that the devil resides. While a fifth Reagan summit with Gorbachev is possible, it may take Michael Dukakis or George Bush to finish the work. But it is impressive work nonetheless. The result would be the first major cut in strategic arsenals since the arms race began 40 years ago. Even more important, the effort could lead to "stabilizing" reductions that could enhance the nuclear peace.

The inside story of the past five years, much of it never before told, contains revelations that highlight the significance, and in some ways the irony, of next week's encounter in Moscow. For example:

► The superhawks of the Administration, who ended up championing Star Wars, originally opposed the President's dream of a perfect defense.

► An important early proponent of Star Wars was Robert McFarlane; initially, the scheme was part of McFarlane's elaborate co-

vert operation to lure the Soviets—and the President himself—into an arms-control deal.

► At a critical moment in the talks, the U.S. negotiators in Geneva found themselves bargaining secretly not with the Soviets but with a delegation of American Senators led by former Democratic Presidential Candidate Albert Gore Jr.

► In the end, a Strategic Arms Reduction Talks (START) treaty was blocked as much by divisions within the U.S. Government as by disagreements with the Soviet Union.

THE GREAT SNOW JOB

Only in one respect might Reagan be chagrined by what he and Gorbachev have been unable to achieve. The President had wanted to usher in a brave new world in which the aim of diplomacy would be to eliminate nuclear weapons altogether. In that respect he has failed. The past few years have seen a restoration of the traditional goals of arms control. The legacy that Reagan leaves will show remarkable continuity with the

one that he inherited. That may be a disappointment to him, but it should be a relief to the rest of the world, since precisely what was most revolutionary about Reagan's approach to nuclear policy was also most dubious.

Reagan came into office with a visceral distaste for the idea that peace between the superpowers should rest on the suicide pact known as "mutual assured destruction." "You better believe it's MAD!" he remarked, shortly after his Inauguration in 1981. He occasionally received visits in the Oval Office from various proponents of what sounded to him like a better way—"mutual assured survival," deterrence based on antimissile defenses rather than the threat of retaliation.

Reagan's senior advisers did not take the idea seriously. Unlike the President, they subscribed to the long-established wisdom that the sheer destructiveness of nuclear weapons makes the quest for defenses a mug's game: it will always be relatively cheap to add offensive spears that can overwhelm the enemy's more expensive shields.

A turning point came in February 1983, when Reagan discussed with the Joint Chiefs of Staff the possibility of a program to develop strategic defenses. The Chiefs were cautiously supportive of the need to accelerate research. They did not realize that Reagan would treat this as a green light to announce, as he did six weeks later, an all-out program to develop a missile-defense system so comprehensive that it would "render nuclear weapons impotent and obsolete." On the day Reagan met with the Chiefs, Washington was digging out from a blizzard. The meeting became known as "the great snow job."

But who had snowed whom? Virtually no one in the Executive Branch outside of the White House was pleased with the President's decision to proclaim what became known as the Strategic Defense Initiative. Secretary of Defense Caspar Weinberger cautioned the President that the program was "not something I can endorse." Equally skeptical was the Pentagon's most tenacious hawk, Assistant Secretary of Defense Richard Perle. Weinberger and Perle were concerned that what sounded like a harebrained scheme would jeopardize political support for a buildup in offensive weaponry.

Aside from the President, only two senior officials favored the plan: National Security Adviser William Clark, a novice in foreign policy who liked the idea of SDI because it appealed to his boss's dislike of traditional deterrence, and Clark's deputy McFarlane, an experienced professional who had his own convoluted motives for midwifing the birth of SDI.

MCFARLANE'S GREAT STING

McFarlane was concerned that the centerpiece of the Administration's new missile program, the ten-warhead MX, was suffering Chinese water torture on Capitol Hill. An alternative scheme, for a mobile, single-warhead missile, dubbed the Midgetman, was also running into trouble. Meanwhile, the Soviets seemed to be plowing ahead with more and better weapons of their own. Nor did arms control seem to offer much hope of blunting the burgeoning Soviet threat. START had run into a stone wall.

McFarlane was looking for a way to breathe new life into

START. As he put it, the U.S. needed some way to say to the men in the Kremlin, "O.K., you guys can go mobile with your ICBMs, including with multiple-warhead mobiles. We can't, because of all our political and budgetary problems. But if you insist on going down that road, there are things we can do that will make you very sorry."

Thus, in McFarlane's mind, SDI was a step toward an agreement in which the program would be limited in exchange for diminution of the Soviet offensive threat. Briefing other members of the Government on what became known as Reagan's Star Wars speech, McFarlane said a highly publicized push to develop space-based strategic defenses could turn out to be the "greatest sting operation in history."

"The arms-control potential" of SDI, he later said, "was always at the center of my motives." He believed that when the right moment came to cut a deal, the President would be "willing to return to, and reaffirm, the concept of deterrence as we've known it."

Meanwhile, however, Weinberger and Perle learned to exploit SDI for just the opposite goal. They saw SDI not as a lever to advance the process of arms control but as a way of spiking the wheels of the process. Thus they overcame their initial objections and became champions of the President's dream in its most ambitious, least negotiable form. They fought furiously in the bureaucracy against concessions.

In September 1983 McFarlane was at a conference in Colorado Springs, home of the U.S. Air Force's Space Command. During a quiet moment between sessions, he was reminiscing about his role in the inception of SDI. He paused, heaved a heavy sigh and said, "I guess maybe I've created a Frankenstein monster, haven't I?"

A HINT OF LINKAGE

A few days after Reagan's Star Wars speech in March 1983, the Kremlin released a statement denouncing SDI as a "bid to disarm the Soviet Union," and proposed a treaty that would ban the "militarization" of space. But they quickly let the issue of strategic defense slip to the side. Like many Americans, they simply did not take the President seriously.

The Soviets instead focused on their goal of blocking the deployment of American intermediate-range missiles in Europe scheduled for the end of 1983. When these missiles were installed, the Soviets walked out of the talks in Geneva. It was a full year before the superpowers agreed to resume negotiations, and when the talks were set, it was clear that SDI was at the center.

In early 1985 Secretary of State George Shultz flew to Geneva for a meeting with Soviet Foreign Minister Andrei Gromyko. Just before leaving, Shultz privately said he was prepared to "signal" that SDI was "open for discussion" as long as Gromyko acknowledged that the Soviet superiority in ICBMs was also negotiable. Gromyko and Shultz quickly agreed that the Geneva negotiations between the superpowers would resume in three forums under the umbrella of the Nuclear and Space Talks. Two forums would deal with the intermediate-range nuclear forces (INF) talks and START that had been suspended in late 1983. Defining the third forum posed more difficulty. The Americans wanted to designate the subject "defense and space." Gromyko



STAR WARS TECHNOLOGY

For some, SDI was never more than a bargaining chip in arms-control negotiations

at first objected to the word defense in any connection whatsoever with SDI. "Whatever you call them," said Gromyko, "these are all offensive systems," since American stations in orbit over the U.S.S.R. would constitute a "Sword of Damocles." He stressed that the three sets of issues in NST would have to be resolved "in their interrelationship."

McFarlane, who had succeeded Clark as National Security Adviser, believed that those three words contained the necessary hint of eventual linkage between START and SDI. Shultz, too, was satisfied that the U.S. had sent—and the Soviets had picked up—the right signal about the possibility of a deal.

When the talks opened two months later, the chief American representative, Max Kampelman, spent almost as much time mediating among his American colleagues as he did negotiating with the Soviets. Meetings in the "bubble"—the bugproof chamber inside the American mission in Geneva—often turned into squabbles between Pentagon and State Department officials over what "interrelationship" might mean. Kampelman, an experienced lawyer equally skilled at conciliation and tough bargaining, waved his hand and said, "Let's not argue about theoretical issues that are not yet before us. Let's wait until the Soviets get serious about offensive reductions before we worry about SDI."

He wasted no time in trying to get his counterpart, Victor Karpov, to be more specific in the Soviet objections to SDI. Karpov and other Soviet negotiators replied that the antiballistic missile treaty of 1972 prohibited any research with the purpose of developing systems that would themselves be a violation of the treaty. Kampelman replied, "I want you to understand and to tell Moscow one thing: There's no way we'll give up the right to do research." It was a carefully formulated negative, inviting the Soviets to infer that other, less stringent limitations on SDI might be negotiable as long as they were accompanied by dramatic reductions of offensive weapons.

In August 1985 Gorbachev tipped his hand. In an interview with TIME, his first with a Western news organization, he said, "When the question comes up about research, and the question of banning research, what we have in mind is not research in fundamental science. Such research concerning space is going on, and it will continue. What we mean is the design stage, when certain orders are given, contracts are signed, for specific elements of the systems. And when they start building models or mock-ups or test samples, when they hold field tests, now that is something—when it goes over to the design stage—that is something that can be verified."

"TEMPT US!"

Meanwhile, the Soviets were trying to whet the appetite of the Americans for the offensive reductions that might be possible if SDI ever became negotiable. If the U.S. would just agree to "ban space-strike arms," there could be reductions in offensive forces

THATCHER'S THREAT

Just before Christmas 1984, British Prime Minister Margaret Thatcher visited Reagan in Washington. Gorbachev, then an up-and-coming Politburo member, had warned her on a recent trip that SDI posed a major obstacle to arms control, and Thatcher had been impressed. In a private session with Reagan at Camp David on Dec. 22, Thatcher said Star Wars had profound technological defects, would split the alliance and made no strategic sense. She urged Reagan to preserve the 1972 ABM treaty. Thatcher warned that while she would support continued research on strategic defenses, if the President implied that she approved of development, testing or deployment, she would publicly repudiate the whole program.

Reagan took pains to reassure her. "Well, Margaret," he said, "research is what this is all about." There was no intention to jettison or violate the ABM treaty. That was just what Thatcher wanted to hear. She had with her the text of a public statement she intended to make after the session: "SDI deployment would, in view of treaty obligations, have to be a matter for negotiations." Robert McFarlane welcomed the statement, since it endorsed SDI only insofar as the program was conducive to arms control. So did Shultz, for similar reasons. Weinberger was furious. Shultz and McFarlane not only had bypassed the Pentagon, he complained, but also had tried to "sandbag" the President.

that would, in the words of one delegate, Grigori Zaitev, "make your head spin."

Karpov told the chief American negotiator in the START forum, former Texas Senator John Tower, that they would begin to "talk turkey" after a recess, during which the two sides would return to their capitals. "Well, Victor," Tower replied, "I'll be ready to hear whatever you've got to say when you come back. I'm a good listener. My Methodist clergyman father taught me the value of patience."

Kampelman went further: "You don't come up with what you want to do in START," he said. "You talk about radical reductions. But it's just talk. Give us some numbers. Tempt us!"

Later in 1985 the Soviets seemed to take Kampelman's advice. By the fall they were proposing an overall ceiling on each side of 6,000 "nuclear charges"—a term that subsumed warheads on ballistic missiles as well as weapons on manned bombers. Karpov said 6,000 would represent roughly an overall 50% cut in strategic forces, since each side would cut from approximately 12,000 weapons. That was something of a magic number for the American side. Shultz told his staff that a START agreement would have to cut in half the most dangerous part of the strategic arsenals to satisfy Reagan's determination to achieve deep reductions. "Without 50%," he said, "the fun goes out of it for the President."

Now the Soviets were moving toward meeting that standard. They also agreed in principle to subceilings, which would limit the number of warheads that could be kept on each "leg" of the strategic triad—ICBMs, submarine-launched ballistic missiles (SLBMs) and intercontinental bombers. The U.S. wanted what it called "preferential" subceilings, which mandated deep cuts in ICBMs, where the Soviets had piled up most of their firepower, while all but leaving alone SLBMs and bombers, two areas of American advantage. "That's not fair, and you know it," said Karpov. "If there are to be subceilings, they'll apply equally to all three delivery means."

When the U.S. tabled new numbers weighted against ICBMs, one of the Soviet negotiators, Gennadi Khromov, took out a Japanese pocket calculator and busily figured what the new American numbers would do to the strategic rocket forces of the U.S.S.R.—and to the U.S. Air Force.

One feature in the American proposals of late 1985 came as an unpleasant surprise to the Soviets, and to many in the U.S. as well. It was a move to ban mobile ICBMs, including single-warhead missiles like the planned Midgetman. The prohibition was shot-horned into the U.S. position at the behest of Perle and the Pentagon. They wanted to stop the Soviet deployment of mobiles, which had already begun.

Notified at the last minute about the new American proposal, advocates of Midgetman were furious. They included four outsiders whose backing was important if the Administration was going to maintain bipartisan support for its defense policies: Brent Scowcroft, a former National Security Adviser in the Ford Administration; Democratic Senators Sam Nunn and Albert Gore Jr.; and Democratic Congressman Les Aspin.

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All had been supporting Midgetman for three years, arguing that it had the twin virtues of being harder for the other side to hit, since it was mobile, and less threatening as a first-strike weapon, since it did not have multiple warheads. The incident heightened tension between the Administration and Congress, and hastened the day when Congress would insist on playing a more direct role in the formulation of U.S. arms-control policy.

THE FIRESIDE DOCUMENT

In late November, Reagan and Gorbachev met in Geneva for their first summit. The President used the occasion to convince Gorbachev that the two had an opportunity to free the world from the "uncivilized doctrine" of mutually assured destruction. "I simply cannot condone the notion," said Reagan, "of keeping the peace by threatening to blow each other away. We must be able to find a better way." SDI, he said, was a better way. After a long pause, Gorbachev replied, calmly, slowly, in his most authoritative baritone. But his vehemence grew as he spoke about his suspicions: "What you call research" on SDI had the potential of producing "offensive nuclear weapons circling the earth." The U.S. was "plotting" to use SDI to re-establish a "one-sided advantage" over the U.S.S.R.

Reagan reminded Gorbachev that the U.S. had enjoyed a monopoly in nuclear weapons after World War II but had not employed those weapons for aggressive purposes. "Why don't you trust me now?" Reagan asked. Gorbachev turned the question around: Why didn't Reagan trust him? The President said that any American leader must base policy not on trust but on a sober assessment of the other side's capabilities. Precisely, said Gorbachev: SDI could upset military "parity" and the strategic balance. "It looks," he added, "as though we've reached an impasse."

Reagan invited Gorbachev for a walk. They bundled up against the cold, left their aides behind and went to a nearby pool house, where a fire had been prepared. Reagan handed Gorbachev a manila envelope containing a Russian translation of a set of "guidelines" that the two leaders might issue to their negotiators. The guidelines called for a 50% cut in strategic offensive forces, and assurances from both sides that "their strategic defense programs shall be conducted as permitted by, and in full compliance with, the ABM treaty."

That sentence was inserted at the behest of Shultz. It was intended as a hint of compromise. Another sentence had been included, however, at the insistence of Weinberger and Perle: "The sides should agree to begin exploring immediately means by which a cooperative transition to greater reliance on defensive systems should such systems prove feasible, could be accomplished."

"But this allows SDI to continue," objected Gorbachev.

"Yes," said the President, now speaking for himself, not needing to refer to carefully prepared talking points programmed to transmit subtle signals of compromise. "It must continue."

"Then we just disagree," said the Soviet leader.

WIGGLE ROOM

The Soviet negotiators were in a testy mood when talks resumed in January 1986. Tower made a conciliatory statement saying that despite the deadlock over SDI, there were a number of areas of "convergence" in START, and special working groups should be established to explore the "common ground."

"There is nothing to discuss," snapped Karpov. "There is no common ground, no convergence. The important areas are those where we differ." The polemical tone continued for much of the round. On a number of occasions Karpov launched into philippics on the sins of the U.S. Tower would reply with low-key sarcasm, "Thank you, Victor. We subscribe completely to your characterization of the American position. Now let's get down to business."

But business in START was painfully slow. Karpov and his colleagues seemed determined to hold firm on offensive reductions hostage until they extracted some indication of American flexibility on defenses.

PHOTOGRAPH BY GENE

During a long conversation over lunch, Kampelman said to Karpov, "Look, Victor, I don't know if you know what 'wiggle room' means." He pointed to his shoe. "It means room for the toe to move around in. At this moment I have no wiggle room. None. That's because you're handling these negotiations badly. You are desperately eager to have us show you wiggle room [on SDI], but I can't do it. I don't even want to ask for it back in Washington. However, if you can come up with significant reductions—not promises, but realities—I might get some wiggle room. But I won't even try to get that unless you show us something. I can't even explore with you what is possible unless you show us more on the price you're willing to pay in reductions."

In fact, the Soviets had already done a great deal to sweeten their offer on offense: they seemed willing in principle to accept an overall ceiling of 6,000 nuclear charges and a subceiling of 3,600 on ICBM warheads. At the end of May, Karpov and his colleagues eased their position on defense as well. Backing away from their earlier insistence on an immediate and comprehensive ban on all "space-strike arms," they proposed a package of what they called interim measures: a ban on antisatellite weapons, a ban on "space-to-earth weapons" (such as lasers mounted on orbiting battle stations) and a "strengthening of the ABM treaty." They suggested adding a new protocol to the pact that would prohibit either side from withdrawing for 15 to 20 years.

But the U.S. continued to practice sales resistance—minimizing Soviet concessions, emphasizing the obstacles and refusing to budge on its own position, especially on SDI.

The Soviets grew impatient with the slow pace of the negotiations in Geneva, so in the summer of 1986 they proposed higher-level talks. Paul Nitze, a State Department official and the Administration's elder statesman of arms control, led an American team that included Perle, Kampelman and others. Two sessions were held, in Moscow in August and in Washington in September. Both sides moved closer on details of a possible START agreement, but there was no progress on SDI.



COMPARING NOTES IN '85

"But this allows SDI to continue," said Gorbachev. "Yes," Reagan replied, "it must continue"

THE LOST WEEKEND

It took negotiations at the highest level of all to assemble these pieces into the makings of an agreement. Reagan and Gorbachev met in Reykjavik in October 1986 for one of the most bizarre encounters in the history of diplomacy. The Soviets lured the Americans to the meeting on the pretext of putting the finishing touches on a separate INF deal. When Reagan arrived, Gorbachev surprised him with a comprehensive package not just on INF, but on START and SDI as well.

In the hectic, high-stakes atmosphere of what came to be called the lost weekend, the two leaders got into a bout of one-upmanship over who was willing to go further toward total nuclear disarmament. In the end, the meeting collapsed when Gorbachev tried to get Reagan to agree to confine SDI research, development and testing to the laboratory—a restriction Reagan saw as aimed at “killing” his most cherished program.

But before the meeting degenerated into fantasy and failure, it yielded significant steps toward a START accord. Gorbachev agreed for the first time that the 50% cuts would apply to Soviet heavy ICBMs, the most destabilizing of all Soviet weapons. The two sides agreed formally on ceilings of 6,000 nuclear charges and 1,600 launchers, and the Soviets accepted in principle that they would have to cut more than would the U.S. in the most troublesome categories of weapons.

On SDI, Reagan and Gorbachev agreed that a deal could include a ten-year ban on withdrawal from the ABM treaty. But they remained at odds over what kind of testing would be permissible during those ten years.

In early December, after the Nuclear and Space Talks resumed, Karpov complained, “We’re already making all the concessions, and that’s not the way a negotiation should take place.” Kampelman replied that American concessions on SDI, if any, would come only when the U.S. had a satisfactory START deal in hand, and even then, wiggle room would be limited. For the U.S., the most important piece of unfinished business from Reykjavik was Soviet agreement to subceilings that would further restrict the number of warheads allowed on ICBMs.

While Max Kampelman was trying discreetly in Geneva to nurture what he called “the arms-control potential” of SDI, Weinberger and Perle were doing the opposite back in Washington, generating momentum for early deployment of a system that would force the U.S. out of the ABM treaty. In December 1986 they and Lieut. General James Abrahamson, the director of the SDI organization, gave President Reagan a secret briefing on the short-term possibilities for early deployment of a rudimentary system of space-based interceptors. Reagan listened approvingly to all this good news about his favorite program. “Cap,” he said, “that’s great! Good for all of you over there. It looks like we’re going full speed ahead.”

Weinberger had chosen his moment carefully. Shultz was attending a Christmas party at the State Department. The National Security

Council staff—which was supposed to referee disputes between the State and Defense departments and prevent one agency from sneaking its preferences past another—was in disarray because of the Iran-contra affair. In February the full NSC met, and Weinberger pushed for a presidential decision. Admiral William Crowe, the Chairman of the Joint Chiefs of Staff, demurred. “The Chiefs support SDI,” he said, “but we don’t have enough in hand to decide now.” He cautioned particularly against scrapping the ABM treaty. Shultz used the meeting to argue against a decision for early deployment and in favor of “feeling out” the Soviets on their views. Weinberger objected. “We shouldn’t debate with the Soviets what can and can’t be prohibited,” he said.

When word leaked that Weinberger was accelerating his campaign for early deployment of strategic defenses, in violation of what the Senate understood the ABM treaty to permit, Sam Nunn, the powerful chairman of the Senate Armed Services Committee, warned that the Administration was on the brink of a “constitutional confrontation of profound dimensions.” Messages of more muted concern poured in from European leaders, including Prime Minister Margaret Thatcher, Chancellor Helmut Kohl of West Germany and Lord Carrington, the Secretary-General of NATO.

Sensing the growing skepticism and impatience with SDI on Capitol Hill, the Soviets soon realized that they could ease their own demands for restrictions on SDI. Said one adviser to Gorbachev: “There is no need for us to ask for more than reasonable and influential members of the Congress are insisting on.” They also replaced Karpov as chief NST negotiator with Yuri Vorontsov, a higher-ranking diplomat who seemed more flexible and determined to break the impasse.

In April 1987, when Shultz visited Moscow, Gorbachev told him that the Kremlin was willing for the first time to accept an agreement that would admit the possibility that SDI might someday be deployed. This concession was accompanied by a warning: if one side decided to proceed with the “practical establishment of an ABM system,” the other side would be released from its obligations to reduce its offensive weaponry. Still, the Soviets were postponing the moment of truth well beyond the life-span of the Reagan Administration. They were saying that offense-defense linkage in the longer term need not stand in the way of an offense-reductions agreement in the near term.

Meanwhile, there was a subtle shift in the balance of power within the Reagan Administration. Perle resigned in March 1987. He told an associate that he sensed “it’s getting to be springtime for arms control around here,” and he did not want to be part of it. Howard Baker, the new White House chief of staff, was frequently siding with the State Department against the hard-liners of the Pentagon. He and the latest of Reagan’s National Security Advisers, Frank Carlucci, were concerned that Weinberger’s attitude toward SDI was becoming a liability for the Administration in its dealings with Congress.

At the same time, however, their visits to the Oval Office constantly reminded Carlucci and Baker how de-

TREATY OF THE BUBBLE

During a trip to reassure European allies about SDI, Paul Nitze and Richard Perle were passing through Geneva one Saturday in February 1987 when they crossed paths with a delegation of Senators, including Albert Gore Jr., Claiborne Pell, Richard Lugar and Ted Stevens. Chief U.S. Negotiator Max Kampelman, Nitze and Perle met with the Senators in the “bubble” of the U.S. mission for a heated debate on Star Wars. Led by Gore, the Senators worked out a consensus and committed it to paper: for the fiscal year 1988, the Administration would refrain from carrying out SDI development or testing in violation of the ABM treaty as interpreted by the majority in Congress. In exchange, the Senate would support a “respectable” level of funding for SDI “research and other actions” permitted by the treaty. Thus, for a few hours, the U.S. mission in Geneva became the scene of negotiation and compromise not only between American and Soviet delegations but also between the Executive and Legislative branches of the U.S. Government.

In the wake of what some called the “treaty of the bubble,” Sam Nunn and other key legislators were at first reluctant to join in applying pressure on the Administration. Then, after continued fights with the Pentagon about how much testing of SDI would be compatible with the ABM treaty, they decided to get tough.

World

voted Ronald Reagan was to SDI and how resistant he was to any suggestion that smacked of trading it away. Carlucci commented on a number of occasions that "asking this President to sign on to restrictions on SDI testing would be like asking him to raise taxes tomorrow." A consensus was emerging among the President's advisers that the trick was in finding some way to satisfy the Soviet need for insurance against "SDI breakout," or rapid deployment of large-scale defenses, while satisfying the President's insistence on preserving a "robust" research-and-development program.

In Geneva, Kampelman continued to press the Soviet negotiators for a subceiling on ballistic-missile warheads. "I will not ask the President for anything that changes or modifies our position on SDI," Kampelman told Vorontsov, "unless and until we've got sublimits that satisfy the Joint Chiefs of Staff." Last August, Kampelman got a chance to press the same point with Eduard Shevardnadze during a visit by the Soviet Foreign Minister to Geneva. Shevardnadze complained that "sublimits are designed to interfere with the structuring of our forces."

Yet on that issue too the Soviets finally yielded. In October, at a meeting in the Kremlin with Shultz and Carlucci, Gorbachev presented a new START proposal that included two subceilings the U.S.S.R. would accept as few as 3,000 land-based ICBM warheads if the U.S. would limit submarine-launched ballistic-missile (SLBM) warheads to only 1,800. The submarine limit was much too low for the Joint Chiefs of Staff, and the Soviets knew it. But they also knew that the sum of the two numbers they had proposed—4,800 warheads on both land- and sea-based ballistic missiles—was exactly what the U.S. had been offering. Gorbachev seemed to be saying, Let's drop the separate subceilings for ICBM and SLBM warheads and instead agree to an aggregate subceiling for both.

The General Secretary asked his visitors what could be accomplished at the upcoming summit in Washington beyond an INF treaty, then nearly complete. Could there also be an agreement in principle on the outlines of a trade-off between START and SDI? Shultz and Carlucci replied that President Reagan would not agree to anything that would have the effect of "crippling" SDI.

KICKING THE CAN

It took one more high-level meeting to nail down a date for the Washington summit. In late November, Shultz once again met with Shevardnadze, this time in Geneva, and once again Weinberger fired a shot across his bow. The Defense Secretary set up a screening for Reagan of a pro-Star Wars film, *SDI: A Prospect for Peace*, that was funded in part by SDI contractors. It drew an analogy between the SDI program and medical research on incurable diseases.

A few weeks later, Weinberger reluctantly concluded that he had to resign as Secretary of Defense to spend more time with his ailing wife. With Perle and Weinberger both gone, the Administration began to function collegially on the issue of arms control for the first time since it came into office. Crowe

and Shultz both commented to aides that they felt relief and optimism that the process of government would no longer be like long warfare.

Gorbachev came to Washington last December to sign an INF treaty and lay the groundwork for a START agreement in 1988. "We are going forward with the research and development necessary to see if this is a workable concept," the President said to the General Secretary, "and if it is, we are going to deploy it."

"Mr. President, you do what you think you have to do," replied Gorbachev. "And if in the end you think you have a system you want to do, go ahead and deploy it. Who am I to tell you what to do? I think you're wasting money. I don't think it will work. But if that's what you want to do, go ahead." Then he added, "We are moving in another direction, and we preserve our option to do what we think is necessary and in our own national interest at that time. And we think we can do it less expensively and with greater effectiveness."

That exchange became the basis of the most important—and most contorted—sentence in the communiqué released at the end of the summit. The two sides would "observe the ABM treaty, as signed in 1972, while conducting their research, development and testing as required, which are permitted by the ABM treaty, and not to withdraw from the ABM treaty, for a specified period of time." The commas and subordinate clauses left deliberately vague exactly what level of testing would be permissible during the nonwithdrawal period. Kampelman commented that the superpowers had found a way of "kicking the can down the road."

AP/WIDEWORLD

On START, the meeting produced a breakthrough on a common subceiling of 4,900 to cover ICBM and SLBM warheads, only 100 higher than the U.S. had wanted. There was a lingering disagreement over whether there would be additional, separate subceilings on ICBMs and SLBMs.

Gorbachev recognized that the compromise meant that Reagan would be able to claim, just as he had after the Geneva summit in 1985 and again after the Reykjavik meeting in 1986, that he had protected his favorite program against Soviet efforts to cripple it. But that was now a claim that Gorbachev seemed willing to let Reagan make, for it had an increasingly hollow ring against the backdrop of mounting congressional skepticism and the political calendar. When Reagan proclaimed his satisfaction that SDI was alive and well and proceeding toward full deployment, there would be Sam Nunn, much of the Congress and most of the American foreign-policy establishment all rolling their eyes and looking at their watches. From Gorbachev's standpoint, Reagan's attachment to SDI had become less a threat perpetrated by a dangerous adversary and more an object of indulgence, the fanciful obsession of an eccentric lame-duck President whom Gorbachev could afford to humor.

"GO FOR THE GOLD"

Sure enough, no sooner was Gorbachev out of town than Reagan claimed that the summit had "resolved" the dispute



BREAKDOWN AT REYKJAVÍK

The meeting collapsed when the President saw Gorbachev maneuvering to kill the proposed missile-defense shield

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over SDI and the ABM treaty. In fact, the issue of strategic defense was still profoundly muddled, even within Washington. Some officials were still committed to a version of the President's original vision of a comprehensive shield that would protect the entire U.S. and its allies as well. Others were privately contemptuous of that goal but were interested in SDI to protect U.S. missile silos. Still others doubted that even such limited "point defenses" could be deployed without provoking Soviet offensive countermeasures that would upset the strategic balance.

When Admiral Crowe wrote a letter to the White House urging that the U.S. seek clarity and precision in whatever deal it struck on SDI, a member of the NSC staff remarked, "The good admiral is asking us to get from the Soviets something we can't get from ourselves—agreement on what a good defensive system would look like and what is permitted by the ABM treaty." Crowe took this problem directly to Reagan. The admiral was concerned about the divisions in the Government on a wide range of strategic issues. "Mr. President," he said, "we can't advise you properly on what we should seek with the Soviets until we know what we're planning for on our side."

At a meeting with the President just before leaving for a visit to Moscow in February, Shultz argued passionately in favor of pressing ahead. Carlucci, now the Secretary of Defense, said he was worried that "we won't play well if we go into a two-minute drill" by negotiating against the deadline of the summit. Shultz replied, "If you talk like that, you'll never get anything. We won't know what we can accomplish until we try. Let's not base policy on a self-fulfilling prophecy."

Howard Baker sided with Shultz. "I have but one constituent," he said, referring to the President, who was chairing the meeting. "And I understand that he wants to overcome these obstacles and push ahead. We have a presidential commitment. We have an obligation to make a real effort."

The President agreed. Borrowing a phrase from the Winter Olympics, then under way in Calgary, he proclaimed that the U.S. should "go for the gold."

Gorbachev seemed equally committed. Receiving Shultz in Moscow, he said the Washington finesse on SDI was still fine with him. Shultz came home optimistic, telling colleagues that he was sure the Soviets would not let the SDI issue get in the way of an agreement.

But as the spring wore on, it became increasingly apparent that the diplomats and policymakers were not going to make it to the finish line. The negotiating process in Geneva and the decision-making process in Washington both began to resemble Zeno's paradox: How does a runner who gets halfway to the finish line, then halfway again, and so on, ever make it there?

The principal factor in this frustration was not SDI. Nor did it have much to do with the reduction of strategic ballistic missiles. Instead, the insurmountable final obstacle to an agreement for next week proved to be the dilemma of how a START treaty should deal with a low-flying, slow-flying weapon that

CARLUCCI TAKES OVER

When Caspar Weinberger decided to resign as Secretary of Defense, he set out to ensure that his deputy, William Howard Taft IV, would be named to succeed him. "Will can be counted on to stand firm on SDI," Weinberger told a Senator who favored the program. He indicated to Taft that the job was his, then went to the Oval Office to persuade the President.

But Weinberger had not counted on the strenuous objections of White House Chief of Staff Howard Baker, who sat in on the meeting with Reagan. Baker argued that Frank Carlucci, who was then National Security Adviser, should be appointed Secretary of Defense instead, because he would "better be able to cement the improvement of relations" among State, Defense and the NSC. "But I've already promised Will!" Weinberger protested. To no avail. Secretary of State George Shultz, at his regular Friday meeting with Reagan and Baker, also intervened in favor of Carlucci.

One of Carlucci's first moves on taking office was to ease a longtime Perle protégé, Frank Gaffney, out of a key arms-control post and replace him with Ronald Lehman. Carlucci also called in Lieutenant General James Abramson, the SDI chief, and told him sternly, "From now on, I want you to be strictly a program manager, not a salesman." Taft remained as Deputy Secretary of Defense.

tensive air defenses in the world. Paul Nitze, drawing on his experience as a Secretary of the Navy in the Johnson Administration, proposed simply banning nuclear-armed SLCMs altogether.

But Carlucci and the Joint Chiefs decided they wanted to preserve the option of deploying ship-to-shore SLCMs as a kind of auxiliary to America's ballistic-missile force. That meant coming up with a verifiable way of counting them. Trouble is, SLCMs are small and easy to hide; it is almost impossible to differentiate the nuclear from the conventionally armed version at a distance. Thus what for years had been a bothersome detail in strategic arms control became a treaty blocker.

At yet another presummit sherpa expedition to Moscow in April, Shultz found that the more movement there was on other matters, the more serious the impasse on SLCMs became. Kampelman tried out the idea of finessing the problem in somewhat the same way as SDI was—putting it off into a future negotiation. "Maybe we can kick that can down the road too," he said. But the Soviets wanted the weapons subjected to verifiable limits.

Returning to Washington, Kampelman told Shultz that the experience reminded him of last-minute, drawn-out snags in contract law: "After you've got the major issues in your pocket, the minor issues become major issues."

By now, Shultz was close to giving up on the gold. Instead, he realized, the best the two leaders could do at the summit would be to "take a photograph of where we're at." They might even consecrate and publish the work that had already been done on the so-called joint draft text of a START treaty and leave it to their subordinates, and perhaps Reagan's successor, to remove the remaining brackets indicating points of disagreement.

Whatever device the leaders adopt at the summit to paper over their differences and mask their disappointment, they deserve credit for having achieved an important breakthrough that lays the foundation for a lasting accomplishment. ■

barely qualified as strategic. This is the nuclear-armed sea-launched cruise missile, a jet-powered drone that can be fired from a submarine or surface ship at targets on land.

The U.S. leads in the miniaturized guidance and propulsion systems for cruise missiles. Partly for that reason, the Soviets first wanted to ban SLCMs in START and later subject them to stringent limits. Some American military experts have argued that SLCMs are among the nastier creatures to emerge from the Pandora's box of nuclear weaponry, and that the U.S. should agree to ban them. They predict that the U.S.'s technological edge will prove temporary, while the geographical "asymmetries" between the superpowers are permanent—and favor the Soviet Union. Key American cities and military installations are near the coasts, therefore easy marks for Soviet SLCMs, while comparable Soviet targets are deep inland and protected by the most extensive air defenses in the world. Paul Nitze, drawing on his experience as a Secretary of the Navy in the Johnson Administration, proposed simply banning nuclear-armed SLCMs altogether.

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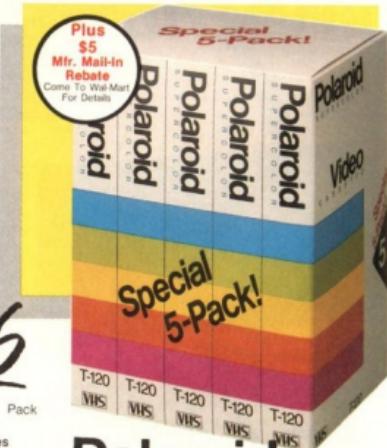
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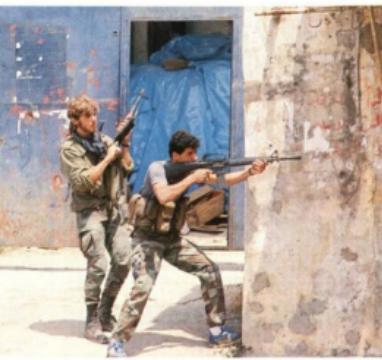
The Battle for South Beirut

Syria watches warily as rival forces fight over a Shi'ite enclave

Squadrons of Syrian tanks rolled into position around the southern suburbs of Beirut last week, their cannon muzzles pointed menacingly at the 16-sq.-mi. enclave. Two Syrian armored brigades, supported by two battalions of President Hafez Assad's elite Special Forces commandos, crouched behind barricades ringing the Shi'ite Muslim slums. Since May 6, fierce battles between rival militias had raged through the streets and alleys, causing many of the area's 250,000 residents to flee. In bloody hand-to-hand combat, the fanatical, pro-Iranian Hizballah had driven the more moderate, Syrian-backed Amal out of its positions and seized control of some 90% of the district.

Calling for an end to the fighting, Brigadier General Ghazi Kenaan, Syria's intelligence chief in Lebanon, threatened to move in and silence the guns. "Our forces will promptly shoot at any gunman in sight," he warned. By week's end, however, the casualty count in the continuing factional feud stood at some 250 dead and more than 800 wounded, and still Syria's 7,500 troops remained poised on the sidelines.

Assad had mobilized for a possible intervention after Hizballah began to get the upper hand in the fighting. Reason: a total victory by the Islamic militants would threaten Syria's long-standing goal of controlling Lebanon's territory and



Dueling militias: Hizballah fighters take aim at retreating Amal
A fierce factional feud that has taken more than 250 lives.

dominating its domestic politics. Considering Lebanon to be a kind of buffer zone safeguarding Syria's own security, Assad has some 25,000 Syrian troops deployed around the country, in part to prevent Hizballah and Iran from turning it into an Islamic republic.

Syria's reluctance to storm the Shi'ite quarter reflected Assad's hope of reaching a political compromise. Despite the growing rivalry with Iran over Lebanon, Syria has no desire to rupture relations. The two countries, in fact, are strategic allies in Iran's 7½-year-old war against their mutual enemy, Iraq. Moreover, the Syrian

President knows that his troops could suffer high casualties in a clash with the entrenched Islamic zealots.

Assad, who has been trying to shed Syria's image as a sponsor of terrorism, is concerned for the safety of the 16 American and other foreign hostages thought to be held by Hizballah or other militants. Because many of the captives are believed to be held in bullet-scarred buildings in the southern suburbs, any precipitous Syrian military action there could endanger them. Some Western diplomats held out hope that the growing Syrian pressure on Hizballah could provide a new opportunity for the release of some hostages. Exploring that chance, Lieut. General Vernon Walters, U.S. Ambassador to the United Nations, held talks with Assad in Damascus last week.

It seemed unlikely that the U.S. was prepared to pay as high a price as France did in negotiating the release earlier this month of its three remaining hostages in Lebanon. Last week newly installed Socialist Premier Michel Rocard announced that Paris was re-establishing diplomatic relations with Tehran after a hiatus of ten months, a move promised by ex-Premier Jacques Chirac's government in exchange for Iran's help in freeing the French captives. In addition, the agreement allegedly called for France to repay as much as \$1 billion on an outstanding loan made by Iran. While refusing to confirm the secret details of his predecessor's deal with Tehran, Rocard declared, "France gave its word. It will be kept."

—By Scott MacLeod.
Reported by William Dowell/Paris and Dean Fischer/Cairo

HUNGARY

End of an Era?

Kádár's future is on the line

Suspense is a rare commodity in the politics of Communist Eastern Europe, but last week Hungary provided a genuine cliff-hanger. When 986 participants at the country's first national party conference in 31 years gathered in Budapest's trade-union meeting hall, word went out that the official agenda, bearing the imprimatur of Party Leader János Kádár, had been quietly shelved. As the conference began, the key question was whether Kádár, 75, might also be shelved. In his opening speech, Kádár himself acknowledged the need to "rejuvenate" the party leadership.

The strongest challenge to Kádár's rule appeared to come from ambitious and pragmatic Prime Minister Károly Grósz, 57. Installed as Prime Minister last June, Grósz,

along with most Hungarians, has lately grown impatient with Kádár's determination to hang on to power. In April the Prime Minister told the daily *Magyar Hírlap* that politicians should not try to disobey "biological laws," an all but direct slap at the leader who has come to be known unflatteringly in Hungary as "Old Uncle János."



"Old Uncle János": not a term of endearment

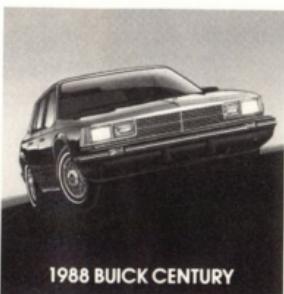
Even if Kádár should manage to cling to his job, the party conference appeared to mark the end of his era. Placed in power on the eve of the Soviet invasion that crushed the 1956 Hungarian Revolution, Kádár was initially reviled as the "Butcher of Budapest" for his role in the brutal repression that followed. He later gained popularity with his bold economic experiments, which gave the country more than a decade of prosperity. But the economy began to falter in the late 1970s, leading to a sharp decline in living standards.

The debate over new economic reforms has become increasingly linked to demands for a recasting of Hungarian political life and a greater degree of pluralism. Last week, for example, employees of Hungarian scientific and academic institutions formed an independent union. Kádár has stubbornly resisted such moves. But the emergence of non-Communist political currents of some sort seems inevitable—with or without Kádár.

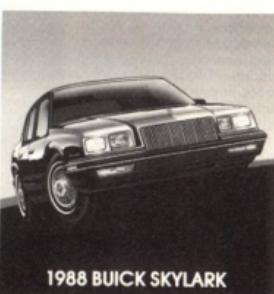
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World Notes



SOUTH KOREA **Into the streets again**



THE POPE **Strains for a dictator**



THE PHILIPPINES **Marcos and wife can't go home**

WEST GERMANY

Discovery of A Sad Legacy

Until he died four months ago at 62 of a heart attack, Werner Nachmann was the most powerful figure in West Germany's close-knit, 30,000-member Jewish community. As chairman of the Central Council of Jews for 22 years, he played a key role in German-Jewish reconciliation. At a funeral ceremony, Chancellor Helmut Kohl eulogized Nachmann as a "moral authority" who had "made his mark on the history of our republic."

Thus there was widespread shock last week when it was alleged that Nachmann had embezzled millions of dollars from interest earned by reparations funds provided by the West German government for victims of Nazi persecution. Said Heinz Galinski, 75, Nachmann's successor as council chairman: "This is one of the darkest hours for the Jewish community since 1945."

SOUTH KOREA

Remembering Kwangju

Every year South Korean demonstrators take to the streets on the anniversary of the 1980 uprising in Kwangju, which was violently crushed by security forces in clashes that left at

least 191 dead. Thus it came as no surprise when mobs of student protesters sparred with policemen in Seoul last week and tossed homemade bombs at the U.S. embassy. The demonstrations were fueled by a grisly incident: the ritual suicide of a 24-year-old chemistry student, Cho Sung Man, who stabbed himself in the stomach and jumped off a four-story building to protest the detention of political prisoners.

On the whole, however, this year's Kwangju protests were far less threatening than those in the past. In the city of Kwangju itself, observances were remarkably peaceful. Rather than trying to prevent mourners from visiting the graves of Kwangju victims, authorities paved the road to the cemetery where many of them are buried.

THE POPE

Cry Freedom

A chorus of 200,000 serenaded Pope John Paul II, who had just turned 68, with a thundering *Happy Birthday* last week in the Paraguayan town of Encarnación. During a later appearance, the impassioned chant "Freedom, freedom, freedom!" greeted the Pontiff. The cry was really meant for Paraguay's iron-fisted dictator, General Alfredo Stroessner, and the Pope quietly echoed it.

During his stay in Para-

guay, which capped a twelve-day tour that included Uruguay, Peru and Bolivia, John Paul II expressed veiled displeasure with Stroessner's rule by criticizing corruption and human rights abuses. Stroessner grudgingly permitted the Pope to meet with the Builders of Society, a group that includes opposition figures. But the government-run newspaper *Patra* growled with displeasure. "These are not the builders of society," the paper fumed, "but the destroyers of society."

VANUATU

Troubles in the South Pacific

The sunny sidewalks and streets of Port Vila (pop. 18,000), capital of the island republic of Vanuatu, about 1,000 miles east of Australia, became a South Pacific battleground last week. Chanting "Change the law or there will be a revolution!" about 2,000 marchers, some armed with iron bars and clubs, clashed with 140 police and soldiers. One man was killed and nine were injured. Looters then turned the city into a shambles of debris and shattered glass. A beleaguered Prime Minister Walter Lini requested help from the Australian government, which quickly airlifted in riot-control gear.

The outburst was inspired

by the transfer of Port Vila land leases from a semi-government authority to a government department. Members of Vanuatu's three Melanesian tribes, which consider themselves the traditional owners of the land, opposed government control of the leases.

THE PHILIPPINES

Dueling on His Mother's Grave

Three weeks after Josefa Edralin Marcos died at age 95, her body is still under glass in a bronze coffin at a funeral home in a well-to-do Manila suburb. White lilies sent by her absent son from exile in Hawaii are fading. Blocking her burial is a contest of wills between President Corazon Aquino and supporters of the deposed Ferdinand Marcos.

Citing national security, Aquino has refused to allow the man she replaced more than two years ago to re-enter the country for his mother's funeral. The President has permitted Marcos' three children to return, however. Last week, when some 7,000 Marcos supporters began hurling rocks and bottles near the U.S. embassy, police used truncheons and tear gas to disperse them. Marcos' sister, Fortuna Barba, remains hopeful. "[Aquino] might still change her mind," she said. "The angel of the Lord touches her heart."

The War of Two Cities

New York and Chicago fight a turf battle that is depressing markets and stalling reform

Not so long ago, the healthy rivalry between America's two financial trading capitals, New York and Chicago, helped make the U.S. an innovative leader in the world marketplace. But suddenly the character of that sporting competition has turned warlike. Set off by recriminations over which side was responsible for the Oct. 19 crash, the trading centers have become locked in a multibillion-dollar struggle for turf and influence that is frightening away investors and harming business for both. "I have nothing nice to say about Chicago. They've ruined everything," declares Dudley Eppel, 57, a stock trader for Wall Street's Donaldson Lufkin & Jenrette Securities. Says Richard Dennis, a hyper-wealthy futures trader in Chicago: "The gulf between us is large, and the stakes are even larger."

The conflict is aggravated by drastic differences in culture and philosophy, almost as if the two capitals were situated in warring nations. On one side are Chicago's futures and options traders: young, brash, speculative, unabashedly noisy. On the other are New York's stock traders and brokers: tradition-bound, analytic, fractious, relatively restrained.

In the crash's aftermath, each camp has recommended that the other change its ways. So far, except for mostly symbolic gestures, neither is budging. Says George Ball, chairman of Prudential-Bache Securities: "It's almost like a game of chicken. Nobody wants to be the first to give in." Even the two separate federal regulatory agencies that oversee the markets are at a standstill. If any new safeguards need to be imposed, Congress may have to take the initiative by default.

The two markets had few points of connection or conflict in the old days when Chicago stuck to its traditional business of trading futures in such commodities as soybeans, corn and pork bellies. But since 1972, when its markets began trading futures contracts based on Treasury bills and currencies, Chicago has produced an explosion of new financial instruments. Chicago's three major mar-

kets (the Board of Trade, Mercantile Exchange and Board Options Exchange) now trade futures and options based on everything from Eurodollars to municipal-bond indexes.

The stormy moods in Chicago's futures markets can directly influence the performance of underlying stocks and bonds in New York, prompting traders on Wall Street to complain that the tail is now wagging the dog. "What stocks once represented," says Prudential-Bache's Ball, referring to long-term investment, "is being sublimated for something more frenzied."

That is what happened on Oct. 19, contend many Wall Streeters, who blame in particular an instrument called the stock-index future. Traded largely in Chicago, such futures enable investors to place bets on the performance of New York stock indexes like the Standard & Poor's 500. The futures, first introduced in 1982, gave portfolio managers a chance to hedge their cash investments in the stocks that make up a particular index. But the futures also gave investors the opportunity to engage in index arbitrage, a practice in which they can reap quick profits from temporary, often minor discrepancies between the two markets by launching simultaneous, computer-driven program trades of huge blocks of stock in New York and index futures in Chicago.

Among the six major investigations of the crash, three concluded that computer-driven index arbitrage and a related strategy known as portfolio insurance were at least partly to blame for the speed and severity of the 508-point drop in the Dow Jones industrial average. The Brady commission, which the Reagan Administration appointed, contended in its report last January that Chicago's futures markets have gained inordinate leverage over New York because the two marketplaces play by such vastly different rules and fail to monitor their complex interactions.

The Brady panel recommended drastic reform that would have curbed Chicago's latitude. Last week, however, a White House working group on the crash deliv-



HOW THE RIVALS MATCH UP

What's traded

Average daily volume (1987)

Value of daily trades

Average price

Most heavily traded issues

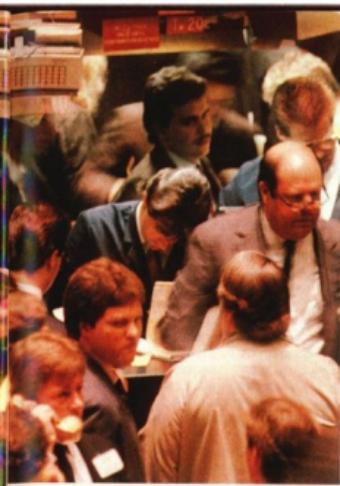
Price per seat

Number of seats

Margin requirements

Hours





ERIK S. OTTE

ered a quite different report, one that essentially exonerated the futures markets. The group, which included Treasury Secretary James Baker and Federal Reserve Chairman Alan Greenspan, recommended only one significant safeguard: a so-called circuit breaker that would interrupt trading in most U.S. financial markets for one hour if the Dow fell 250 points from the previous day's close and for two hours if it dropped 400 points. In congressional testimony later in the week, Greenspan defended stock-index arbitrage and computer trading as forces for stability rather than volatility, enabling portfolio managers to reduce their risk.

The White House report delighted Chicago traders but angered many Wall Streeters and legislators. "The report represents a giant step backward for the American investor," said Representative Edward Markey of Massachusetts, chairman of the House Subcommittee on Telecommunications and Finance. "After being handed a game plan for reform by the Brady commission, the working group went into a two-month huddle, came out and punted."

Investors are registering their disapproval in droves. In a survey conducted earlier last week by Sindlinger & Co., a marketing-research firm, just 4% of the households polled said they planned to buy stock, compared with 15% just after the crash in October. Fear of the volatility often attributed to program trading was the second most often mentioned reason for avoiding the market, after disillusionment about insider trading. Individual investors have apparently developed a belief that the stock-market game is fixed in favor of the big players. Says Arthur Levitt, chairman of the American Stock Exchange: "It's a national disgrace that we've been unable to agree on some essential steps to restore public confidence in the market." Last week almost nothing seemed to encourage investors. Despite a sharp improvement in the U.S. trade deficit, the Dow Jones average fell 37.96 points, to close the week at 1952.59.

Perhaps the hottest battlefield in the New York-Chicago conflict is between the New York Stock Exchange and the Chicago Merc, which trades the controversial S&P 500 index futures. Each side in the standoff is unwilling to make any major procedural changes for fear of losing turf. The New York exchange, which was slow in setting up its own financial-futures market, controls 10% of worldwide trading in such contracts; the Chicago exchanges' share is about 80%. Contends John Sandner, chairman of the Chicago Merc: "We were so successful that it caused everyone to want to take our success from us. The agenda of New York is to move our markets to Wall Street."

Chicagoans bristle at the idea of greater regulation. The Chicago Merc's unofficial motto is "Free Markets for Free

Men." Traders in the Chicago pits relish their freewheeling auction system, called the "open outcry" method, in which any trader with enough lung power, quick wit and derring-do can make a killing. Says Tom Cunningham, a 20-year veteran at the Board of Trade: "You have no friends between the bells. No one gives a damn whether you're a college graduate. The guy on your right has a master's degree in chemistry, the one on your left is a high-school dropout. When the bell rings, you're all equals." Even at its most hectic, the floor of the Big Board seems by contrast an elite gentleman's club. "There's only a kind of quiet humming sound," notes Merton Miller, a University of Chicago professor and an expert on futures. "Even when people bump into you, they tend to say, 'Excuse me.'"

Many New York traders view their Chicago counterparts as hotheaded and distinctly disreputable gamblers rather than investors. Certainly in terms of appearances, everything about the Chicago traders' style makes them look more like hockey fans than financial professionals. While the stereotypical Wall Street uniform may be pinstripes and silver cuff links, Chicagoans often arrive at work in plaid jackets and gold neck chains. Sandner, the Merc's chief, a lawyer and former boxer, wears cowboy boots and a brown-and-gold trader's vest studded with badges promoting the Merc.

Despite an outward image of chaos in the futures pits, the Chicagoans maintain that their trading system is more efficient and fair than the one at the New York Stock Exchange. The Chicago traders settle their accounts twice a day, while the New York exchange sometimes takes as long as five days to catch up with the paperwork. Moreover, Chicago's auction system tends to keep the differences between buying and selling prices to a minuscule gap even when the market is moving briskly up or down. By comparison, trades on the New York exchange are usually handled on a one-to-one basis by specialists, who can sometimes be overwhelmed with orders and become unable to keep up with the price movement.

In the New York view, the Chicago markets have been able to let their speculative impulses run wild—and whipsaw Wall Street as well—because futures contracts can be purchased on a very low initial stake, or margin. On stocks, the down payment an investor must make to buy shares on credit is typically 50%, while on futures contracts the up-front money can run from as little as 3% to a high of 15%. James Maguire, a floor specialist at the New York exchange, calls highly leveraged futures the "nuclear bombs of the financial business. Uncontrolled, they're dangerous weapons."

The Brady panel recommended bringing futures margins closer to 50%, but Chicagoans would fight that idea to the bitter end. "The margin issue," says Chicago's Miller, "is a code word for killing the futures markets. It's a nonnegotia-



ERIK S. OTTE

Study in contrast: traders on the Big Board, above, are typically fraternal and restrained, while Merc players are young, brash and noisy

Economy & Business

ble issue. If you make the futures exchanges expensive, you rule out the very reason for their existence," which ostensibly is to give investors a quick and cheap hedge on their comparable securities.

The other prime source of discord is the recommendation by the Brady panel that all financial trading should be supervised by one federal regulatory body, instead of two separate ones. Currently, the Securities and Exchange Commission oversees the stock markets and the Commodity Futures Trading Commission regulates the exchanges that deal in stock-index futures. "Having split regulators contributes to the confusion," contends Peter Buchanan, chief executive of Wall Street's First Boston investment firm.

The agency favored by some to become a superregulator is the Federal Reserve, but the Chicago exchanges oppose that move on the ground that they would no longer have their own advocate. At present, the CFTC sticks up for the Chicago markets whenever the SEC tries to fence them in. Earlier this month the CFTC approved two new forms of stock-index contracts—the first authorized since the crash—bringing the total number to 18. The Chicago Merc hopes to get approval soon for a futures contract to be based on the Tokyo exchange's Nikkei 225 stock index.

The stock-index futures market is currently suffering from depressed volume, down some 50% on the Chicago Merc compared with May 1987, partly because several major New York investment firms have halted index-arbitrage for their own accounts. While the firms did so largely as a public relations move to calm investor fears, most of them continue to conduct program trading to satisfy customers whose money they manage. Says Max Chapman, president of Kidder, Peabody: "Speculation is not a dirty word."

If voters think it is, then Congress will pay attention. Says Michigan Congressman John Dingell, chairman of the House Committee on Energy and Commerce: "Small investors have been unimpressed by the incremental steps [toward reform] taken thus far." Wisconsin's William Proxmire, chairman of the Senate Banking Committee, has introduced legislation that would impose many of the Brady group's recommendations, including tighter margins and joint supervision of futures markets by the Fed, CFTC and SEC.

The New York and Chicago exchanges will have no say in the matter unless they start agreeing on some compromises. Says Philip Purcell, chairman of Dean Witter: "It's time to forget about these turf fights and think of the customer first for a change." If the exchanges do not, customers will stay away, and the heady days of the 1980s bull market will be gone for a long, long time. —*By Stephen Koeppl*

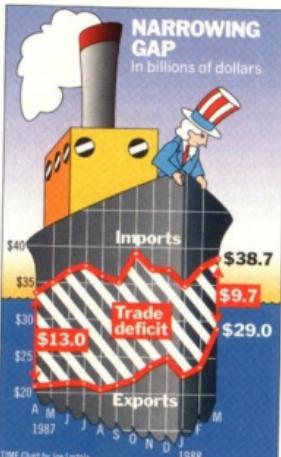
Reported by Thomas McCarroll/New York and William McWhirter/Chicago

Every Silver Lining Has a Cloud

A dramatic drop in the trade deficit fails to impress investors

At first glance, last week's Government trade report looked like welcome economic news. The trade deficit suddenly narrowed to \$9.7 billion in March, a 30% drop from February's \$13.8 billion level and a far better performance than even the most hopeful economists had projected. After months of frustrating setbacks, the trade deficit was finally coming down sharply, and it appeared that the U.S. was making progress in solving one of its most pressing economic problems.

But economists and investors always seem to search for clouds in even the sun-



nies. They noted that exports in March rose 23%, to a monthly record of \$29 billion, and that imports went up as well, by 3.5%, to \$38.7 billion. Some economists would have preferred to see a more moderate rise in exports, combined with a reduction in imports. Reason: large increases in both categories may indicate that the economy is in danger of overheating. Already, factories are operating at an average of 82.7% of capacity, the highest level in eight years. In many industries, plants are reaching their productive limits, which has stirred fears of higher inflation and interest rates. Last week the Government reported that consumer prices for the month of April increased 0.4%. During the first four months of the year, prices rose at a moderate annual rate of 4.5%. But concern that inflation may be on the verge of accelerating helped cause last week's 2% drop in the Dow Jones industrial average.

The jump in exports will lessen the sense of urgency over passage of trade legislation this year. The bill approved by Congress is designed to curb the deficit by forcing the White House to take stronger action against unfair foreign trade practices. But President Reagan has promised to veto the measure largely because it contains a provision requiring companies to give workers 60 days' notice of plant closings and mass layoffs. It appears that Democrats do not have enough votes in the Senate to override the veto, especially after the trade-report figures.

The reduction of the deficit suggests that the 40% fall in the value of the dollar against major industrial currencies over the past three years, which has made U.S. exports less expensive in foreign countries, is at last having a substantial impact. Among the products selling particularly well in overseas markets: aircraft, office equipment and telecommunications gear. Says U.S. Trade Representative Clayton Yeutter: "The lower dollar has thrown open doors that were closed to American exporters for much of the decade." Says Robert Ortner, an Under Secretary for Economic Affairs at the Commerce Department: "This is a genuine export boom."

Meanwhile, imports continue to rise, even though the decline of the dollar has made foreign goods more costly in the U.S. One reason: the export surge has encouraged American industry to go on a binge of investment in new equipment, much of it imported. In 1982 foreigners filled 14% of U.S. capital-goods orders, excluding automotive equipment. For the first three months of this year, that share rose to 27.8%.

American demand for foreign consumer goods remains strong, however steep their price tags. At a meeting in Paris last week of the Organization for Economic Cooperation and Development, top European officials pointed to excessive consumption as the chief cause of the U.S. trade deficit. Nigel Lawson, Britain's Chancellor of the Exchequer, called for a "slowdown in the growth of U.S. domestic demand, which in these circumstances is rising uncomfortably fast."

As economists examined the fine print of the March trade report, they discovered yet another discouraging fact: the monthly deficit with Japan stayed steady at \$4.5 billion. Since that represents nearly half the total U.S. deficit, even the most optimistic Administration official would have to admit that the trade imbalance is likely to remain a stubborn problem for years to come. —*By Barbara Rudolph*

Reported by Gisela Bolte/Washington and Wayne Svoboda/New York

"The Chairman" and His Board

Embezzlers nearly get away with \$69 million from First Chicago

The caper took a month to plan, and just 64 minutes to execute. On Friday, May 13—a date chosen in a spirit of mischief—an \$18,000-a-year clerk at First National Bank of Chicago set in motion a simple scheme that nearly bilked his employer out of \$68.7 million. Aided by a gang of accomplices and his knowledge of a few secret codes, Gabriel Taylor, 27, electronically transferred the money from accounts belonging to Merrill Lynch, United Airlines and Brown-Forman distillers to accounts that some of the conspirators had set up under assumed names at two banks in Vienna. Before the gang could collect its loot, First Chicago discovered the fraud and alerted the FBI, which last week located the money and arrested Taylor and six alleged coconspirators on charges connected with illegal wire transfers. But the embezzlers came tantalizingly close to succeeding and showed how vulnerable banks and their vast computerized cash-movement networks can be to a dishonest insider.

In this scheme, though, the apparent mastermind was an outsider: Armand Moore, 33, a burly ex-con from Detroit who called himself "the Chairman." Moore was paroled from Minnesota's Sandstone federal prison in 1986 after serving four years of an eleven-year term for fraud. In 1982 he created a Chicago "bank," actually a telephone answering service, and issued himself letters of personal credit. So convincing were these documents that ten air-charter companies leased planes to Moore, who used them to take off on cross-country shopping sprees. By the time he was caught, he owed \$180,000 to the charter firms.

After his release, Moore apparently began eyeing a much bigger target: First Chicago. His contact was a cousin, Herschel Bailey, 30, who knew Otis Wilson, 30, a clerk at the bank. Wilson introduced Taylor to Moore and by last month the group included Neal Jackson, 31, Leonard Strickland, 49, and Ronald Carson, 40. They plotted their scam at meetings in a Quality Inn on Chicago's west side.

Taylor had worked for First Chicago for eight years, and was employed in its wire-transfer section, which dispatches multimillion-dollar sums around the world via computers and phone lines. The bank's biggest customers routinely call this department to transfer funds, often paying money directly into suppliers' accounts. As at most banks, transfers require that a First Chicago employee call back another executive at the customer's offices to reconfirm the order, using various code numbers. All such calls are automatically taped. Taylor had access to the codes and knew the names of the appropriate executives at various corporations. The gang's original plan called for stealing \$232 million from the accounts of quite a few companies, including Hilton, but the group

eventually settled on taking the \$68.7 million from United, Brown-Forman and Merrill Lynch. The Chairman was able to recruit Taylor, who had no previous police record or employment problems, by offering him a cut of \$28 million.

At 8:30 a.m. on May 13, a gang member posing as a Merrill Lynch executive called First Chicago to arrange the transfer of \$24 million to the account of "Lord Investments" in Vienna's Creditanstalt bank. He first heard a taped message: "This is First Chicago transfer operations. Your transaction is being recorded." Unfazed, the caller placed the order with one of Taylor's unwitting co-workers. Taylor pretended to phone another Merrill

United and Merrill Lynch did not have enough funds in their accounts to cover outstanding checks, which started to bounce, alerting First Chicago officials that something was amiss. The bank traced the problem to Taylor and called in the FBI. Taylor named his coconspirators and agreed to make incriminating phone calls to Moore and the others that the FBI taped as evidence. Although Brown-Forman's funds were credited in Vienna, the money taken from United and Merrill Lynch was intercepted at Citibank before it left the country.

Investigators were amazed at how far the scheme proceeded before being discovered. If the gang had settled for smaller amounts or picked accounts that were less active, the crime might have gone undetected long enough for the culprits to withdraw the money from the Viennese banks. Says an investigator connected



Crime scene and suspects, from left: Armand Moore, Neal Jackson, Otis Wilson and Herschel Bailey
Says an investigator: "They came a lot closer than the banks want to acknowledge."

Lynch official for backup confirmation. He really called the Chicago home of Bailey, who gave an authentic-sounding "approval" as the tape rolled. The \$24 million was promptly wired to New York's Citibank for later transfer to Vienna.

At 9:02 came another call, purportedly from Brown-Forman (makers of Jack Daniel's whiskey). A few code words and computer keystrokes later, and \$19.7 million slid with the smoothness of sipping bourbon from Brown-Forman's account, through the New York computers of Chase Manhattan Bank and into the account of "Walter Newman" at Vienna's Focobank. At 9:34, an additional \$25 million flew from the ledgers of United Airlines to Citibank for relay to the account of "GTL Industries" at Creditanstalt.

On Monday, May 16, the plan broke down—for the most banal of reasons.

with the case: "They came a lot closer than the banks want to acknowledge."

What worries crime experts is that wire transfers, which banks use to zap some \$1 trillion in funds around the globe each week, could be so susceptible to security breaches. Says a senior officer of First Chicago: "It's impossible to do something like this without the help of an insider. But once you have the insider, it's almost a childlike process."

The Chairman and his board of embezzlers made crucial mistakes, but they exposed many of the flaws in the banks' security systems. If those flaws are not fixed, copycat crooks may try new, improved versions of the scheme. Warns First Chicago Spokesman Anthony Zehnder: "There are a lot of people out there taking notes." —By Gordon Bock
Reported by William McWhirter/Chicago



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Business Notes



BANKRUPTCY Heritage USA's water park is dry



ADVERTISING Jackson struts on Soviet TV



AIRCRAFT ILFC's Udvar-Hazy

AIRCRAFT

A Bundle Of Boeings

It was the biggest plane order in the history of commercial aviation, a \$5 billion deal to buy 100 Boeing jets and 30 Airbus models by 1995. The purchaser was not one of the titans of the airline business but a 16-employee Beverly Hills-based concern known as International Lease Finance Corp. Founded in 1973 by Steven Udvar-Hazy, 42, and Louis Gonda, 39, with financial help from Gonda's father Leslie, 68, the company has become one of the biggest players in the burgeoning business of jet leasing, with earnings of \$51 million last year on revenues of \$180 million. ILFC borrows money to buy jets and then leases them to airlines, which like the arrangement because it leaves them more money to spend on operations and service instead of expensive equipment. The company currently leases 53 jets for as much as \$1 million a month.

ILFC's mammoth order is an enormous boon to Boeing, which has been reeling from a spate of bad publicity. An Aloha Airlines Boeing 737 ripped open over Hawaii last month, and several airlines have voiced concerns about quality control on production of the Seattle-based company's 747 and 767 models. ILFC ordered 78 737s, nine 757s, nine 767s and four 747s for \$3.7 billion. Europe's Airbus, which

has been making inroads in the U.S. market, expressed satisfaction with its \$1.3 billion share of the ILFC contract. The only real loser was St. Louis-based McDonnell Douglas. It too bid for the order, but came away with nothing.

ADVERTISING

I'm Bad, Comrade

If anyone can change frugal comrades into free-spending Western-style consumers, Michael Jackson can. Or at least PepsiCo seems to think so. Last week the performer paraded his way onto Soviet TV in Pepsi commercials featuring slogans like "The new generation chooses Pepsi" that were superimposed in Russian. The ads, along with commercials for Visa credit cards and Sony TV sets, appeared in a series of talk shows with Soviet Commentator Vladimir Posner as host. He interviewed Americans in Seattle on subjects ranging from sex to presidential politics. The ads marked the first time that companies have been allowed to buy time on Soviet TV.

The advertisers were recruited by Global American Television, a small company based in Colrain, Mass., and co-producer of several public affairs programs that have appeared on both U.S. and Soviet TV. Global American ar-

ranged for PepsiCo, Visa and Sony to buy ten minutes on Posner's shows for \$20,000 a minute, in contrast with up to \$800,000 a minute that advertisers pay for prime time on U.S. networks. Still, said Posner, "we can make some money out of this."

So can advertisers. PepsiCo, which had a virtual monopoly on Soviet cola sales until 1984, faces competition from Coca-Cola, now sold in eleven Soviet cities. Visa cards will be issued to Soviet citizens who travel abroad later this year. Sony's products are available only in stores that require payment in hard currency.

BANKRUPTCY

Looking for A Savior

Money may be the root of all evil, but the PTL ministry needs cash anyway. Last week, as the church faced possible liquidation of assets in bankruptcy proceedings, PTL was offering to sell its 2,200-acre Heritage USA theme park in Fort Mill, S.C. Among half a dozen potential buyers of the park, appraised at \$200 million by PTL last year, was George Shinn, 47, a multimillionaire who owns minor-league baseball and basketball teams. Shinn is thinking of building a baseball stadium at Heritage USA, parts of which have been closed since September, and moving his Charlotte Knights from North Carolina.

The PTL empire has been crumbling since Televangelist Jim Bakker left the pulpit in March 1987 after admitting to a one-night stand with Church Secretary Jessica Hahn. As donations dried up, PTL sank, at least \$75 million in debt.

JOB

Even Cowboys Get the Blues

Les Krantz sure knows how to dash a childhood dream. He is editor of *The Jobs Rated Almanac* (World Almanac: \$14.95), a new book ranking 250 professions by such criteria as salary, security, stress, outlook and work conditions. Krantz downgrades jobs that look best to kids, putting garbage collector (No. 226) ahead of dancer (240), football player (241) and cowboy (242). Last on the list: migrant farm worker (250). At No. 1 is a job that few children even know about: actuaries.

Krantz insists that his findings are not that surprising. Actuaries, who set insurance premiums based on statistical risks, have secure, relatively stress-free jobs but are well paid (average salary: \$45,780). But actors (220) spend most of their time auditioning for parts they do not get, while fire fighters (210) work impossibly long hours. President of the U.S.? "Has no future," says Krantz, who therefore left that job off the list.

Profile

SCOURGE OF THE SENATE

That's how some of his colleagues see **JESSE HELMS**, a wily parliamentary terrorist who routinely blocks civil rights bills, holds ambassadorships hostage and undermines treaties

An entire wall of Jesse Helms' Capitol Hill office is covered with political cartoons, most of them lampooning him as a rogue and obstructionist. The senior Senator from North Carolina takes impish delight in each and every one of them. "The uglier they are the quicker he puts them up," says an aide. Among Helms' favorites is one depicting a fellow Senator praying. "And would you kindly ask Jesse Helms to please shut up?"

Can the Jesse Helms who rises to greet a visitor, full of cracker-barrel charm and as well mannered as an overly polite schoolboy, really be the notorious "Senator No," scourge of the Senate? Poor, misunderstood Jesse Helms. A bulky 6 ft. 2 in., he has a jowly, owl-like face; his sparse white hair is slicked back, and his eyebrows, frozen like question marks above his eyes, seem to ask, "Who me, cause a fuss?" A sometime Sunday-school teacher, he is fond of saying, "Well, bless your heart," his voice a velvet bass carried by a Carolina drawl. But in an instant, a glint appears in his eye as he hatches yet another plan to tie the Senate in knots. Meet the other Jesse Helms, the wily parliamentary terrorist who has blocked civil rights legislation, held ambassadorships hostage and undermined treaties.

"I'm no charlatan," says Helms, 66. No, he's a true believer. As patron saint of the not-so-New Right, he is protector of the unborn, champion of prayer in the classroom and pure hell on Communists. "A guy of guts and fire," Republican Senator Alan Simpson calls him. But conservatives too know how prickly he can be. Ask Ronald Reagan. Negotiating arms deals with the Kremlin is one thing; getting them past Helms is something else. Helms is not just committed to causes, he is consumed by them. Consider his fight to ban abortion. "Sure I'm obsessed with it," he says, "and I'm absolutely certain I'm right, and nobody's going to change my mind."

The Senate is a clubby place that takes pains to protect the minority from the majority. Helms has taken full advantage of that magnanimity, giving some to wonder. What is to protect the majority from Helms? His arsenal is primitive but effective: adding on dilatory amendments, filibustering, running hapless nominees through his congressional paddling machine. Some call it "porcupine power." As the ranking Republican on the Foreign Relations Com-

mittee, he stands at a crucial thoroughfare. Again and again, he has turned the path of legislation and confirmation into his private turnpike—pay Jesse's toll or wait forever. Last week he was at it again. In an effort to stall the Intermediate-Range Nuclear Forces agreement, he even questioned Soviet Leader Mikhail Gorbachev's authority to sign the treaty.

When the question of obstructionism is raised, Helms seems wounded. He plays by the book, he says. "I'm accused of holding up nominations and frustrating the will of the Senate. When you look at the record, it's not so." Then that glint flashes again, and he admits, "The reputation is quite valuable, because it has a certain amount of effect. They know I'm capable of it." That they do. Senate colleagues will attest that Helms has SPECIAL HANDLING stamped all over him, and some grumble that he has poured sand into the Senate's engine all too often.

Still, Helms yearns to be liked and doesn't seem to grasp the extent to which he has alienated some of his brethren. Not long ago, Ted Kennedy, his liberal foe, was slightly injured when a tree fell on his car. "I vow that I didn't have my chain saw out there," Helms jokingly told Kennedy as they got on an elevator together. Kennedy laughed, said Helms. Perhaps, but Kennedy will not talk about Helms. Neither will Claiborne Pell, chairman of the Foreign Relations Committee. Why not? "I have to face him," says Pell. Former Senator George McGovern feels less constrained: "People are afraid of him. He can punish you, and he's willing to do that. He's nothing but trouble."

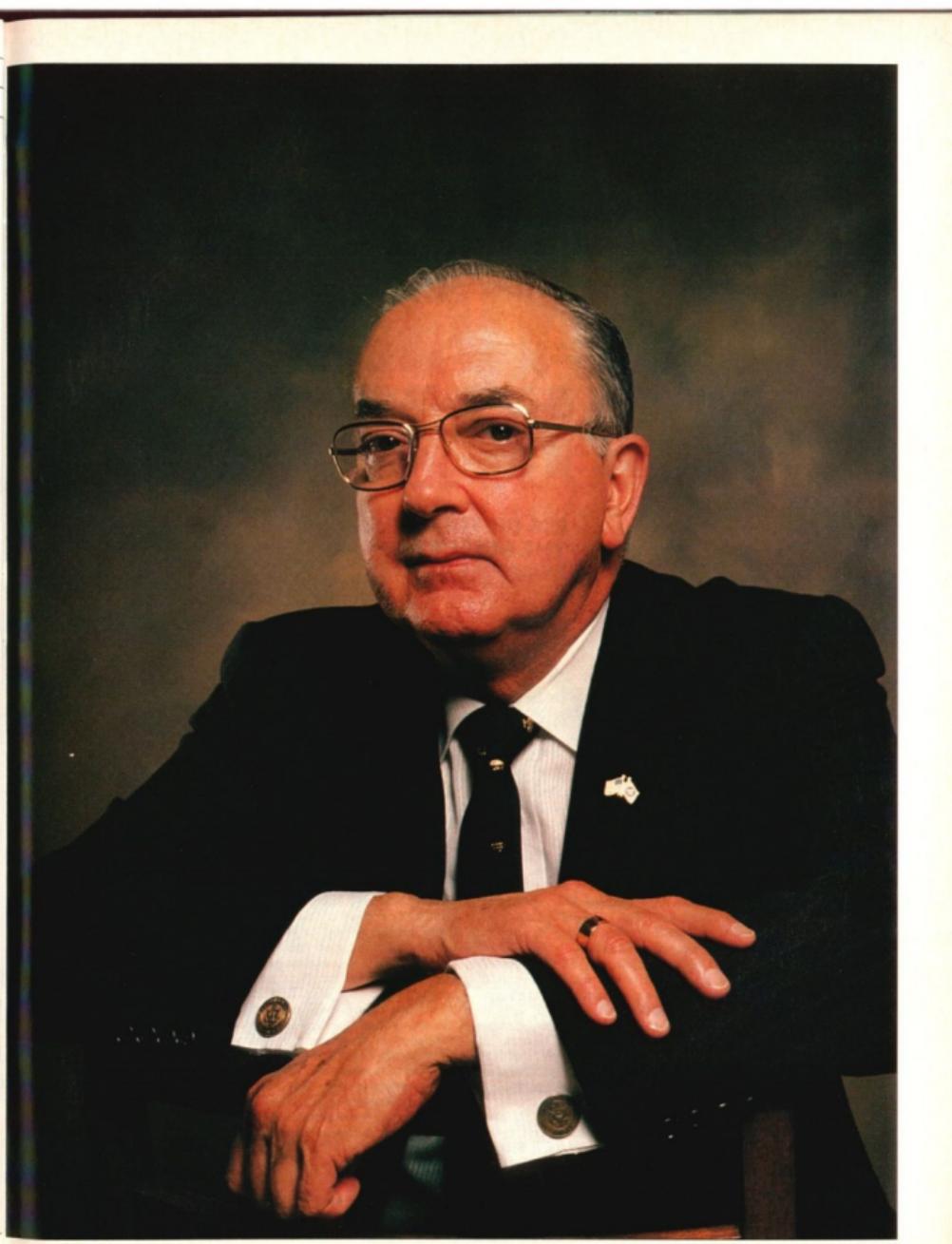
Sometimes Helms will block an appointment even when he favors the nominee. Earlier this year he threatened to hold up confirmation of Major General William F. Burns to head the U.S. Arms Control and Disarmament Agency. The price: a White House promise to submit reports on Soviet compliance with the ABM treaty—more ammo against the INF treaty. "You use whatever lever you have," shrugs Helms.

Others have been still less fortunate. For a year, Helms blocked the nomination of Richard N. Viets, a career foreign-service officer and former envoy to Jordan, as Ambassador to Portugal. Helms kept up questions about his personal finances until the nomination was withdrawn and Viets retired. "What we have here is a McCarthy of the '80s," says Viets. "You recognize you're in a cage with a viper." Helms bristles at the comparison with Joe McCarthy. "I think he was on to something," says he, "but he was careless with the facts."

If need be, Helms will take on the entire Senate alone. Last November he voted against the nomination of Frank C. Carlucci as Secretary of Defense. Carlucci squeaked by, 91 to 1. A month later, Helms opposed a major education bill, arguing that the Federal Government should not fund education. The bill passed 97 to 1. "I sometimes find myself wishing there were more people on my side who were willing to speak up," he says.

Few in Congress have been so vilified by the press, and none have been so adept at turning it to political advantage. The darts just seem to pass through him. "I never lost a minute's sleep over criticism, and I never shall," he declares. Senators who oppose him on key issues, he says, simply lack the facts or the political courage. And the uncommitted? "The Lord spoke of those who are neither hot nor cold. He said, 'I spew them out of my mouth,' and I think a lot of folks are crying out to be spewed out."

Though Helms' friends credit him with shrewdness



Profile

and moxie, they marvel that anyone so—well, ordinary—should be where he is. Even Dorothy Helms, the Senator's wife of 46 years, is puzzled: "To me, he's just little Jesse Helms that I married however many years ago. He's a very simple person. He just believes certain things, and he acts on them, and that's it." They met when both were working at the Raleigh *News and Observer*, she as editor of the society page, he as a sports reporter. They have raised two daughters and a son, whom the Helmses adopted as a 9-year-old orphan with cerebral palsy after reading about him in the newspaper one Christmas Day.

From work, Helms drives a 1984 Oldsmobile—he favors used cars—to his modest home in Arlington, Va., which is furnished in what he calls "ancient fill-in." He slips on his gray Nike running shoes and what Dorothy calls "some old disreputable-looking pants and shirt" and watches the evening news. Often he tunes in Dan Rather, though he urged conservatives a couple of years ago to buy up CBS, which he sees as a citadel of liberalism. His favorite program is *Highway to Heaven*, about an angel come to earth. "Very inspirational," says Helms, "and you don't see people falling in and out of bed to make a point."

Except when Helms is doting on his six grandchildren, he rarely relaxes. He types as many as 50 letters a week to friends and constituents, pecking with two fingers on an old Royal manual. To a woman fretting over her mother's ill health, Helms wrote that his own mother had believed in the curative powers of baked apples. In another letter he wrote of the gay-rights movement: "I view it as something of a nightmare that the Sodomites are so brazen... These obnoxious, repulsive people are anything but 'gay.'"

Helms' heroes are Thomas Jefferson, Winston Churchill and the late Senator Sam Ervin of North Carolina. His values are rooted in North Carolina's Piedmont. Monroe, whose population was 3,000 when Helms was growing up there, was profoundly conservative. Schools were segregated, and once a year flowers were placed on the graves of the Confederate war dead. Yet most townsfolk assumed that the devil was a Republican, which made it all the more shocking when Helms became the state's first G.O.P. Senator of this century.

Helms' father, known respectfully as "Mr. Jesse," was police chief and stood a full head above 6 ft. One Christmas he gave his son a plaque engraved with the words SON, THE LORD DOESN'T REQUIRE YOU TO WIN, HE JUST EXPECTS YOU TO TRY. The plaque hangs beside Helms' Senate desk, emboldening him in his sometimes lonely crusades. High School Principal Ray House preached another homily that had a profound influence on young Jesse: "With hard work, nothing is impossible."

Helms, one of only six Senators who do not have a college degree, dropped out of Wake Forest to become a reporter, then program director of a Raleigh radio station. Years later, his unabashedly conservative editorials for a Raleigh television station won

him a statewide following and future political base. He first came to Washington in the early 1950s as a staffer to North Carolina's Senator Willis Smith, but the advice he remembers best came from Georgia's Senator Richard B. Russell: "Jesse," he told him, "a Senator who does not know the rules can be cut to ribbons by a Senator who does."

When Helms ran for the Senate in 1972, he showed both his political savvy and his genius for raising money, pioneering direct-mail solicitations and founding a fund-raising apparatus that became one of the most formidable in the nation. In his 1984 bid for a third term, Helms spent \$18 million on the most expensive Senate campaign ever, yet he defeated former North Carolina Governor Jim Hunt by a scant 3%.

Since entering politics, Helms has been dogged by allegations of racism. "This is going to be another race story, isn't it?" he asks, his face flushed. "If it is, don't ever come to this office again." He entreats interviewers to ask black Capitol Hill employees how he treats them and notes that a former press aide was black. But Helms has opposed civil rights legislation, busing, affirmative action, sanctions against South Africa and a federal holiday to honor Martin Luther King. He continues to insist that King associated with Communists and "was a man of tasteless immorality." "I wish he had not been shot," says Helms. "I fervently wish that, because I think he would have been exposed for what he was."

Helms tells a story from his childhood. "About the only licking I remember my father giving me was when he overheard me calling a little black boy with whom I was playing a 'nigger.' He told me, 'It wasn't anything you did that made you white, wasn't anything he did that made him black,' and I was never to use that word again." It was no defense, said Helms, that the boy had called him a "white cracker."

Helms says he is driven by principle, not politics. His stand on abortion and his opposition to the Equal Rights Amendment have made him a target of women's rights groups. But there are women among his most senior staff, and as a television executive in the early 1960s, he was one of the first to put a woman sports reporter on the air, over the objections of his superior.

Eight years ago, Helms hailed Reagan as the champion of conservatism. Now he feels the President has been duped by advisers. In a letter to a friend, Helms wrote, just before the summit meeting in Washington: "So many undesirable—and dangerous—things have happened on his [Reagan's] watch—and I am increasingly fearful about the future." Deeply troubled by the prospect of further arms agreements with the Soviets, he is still trying to bury the INF treaty by tacking killer amendments onto it, as he proved last week. His distrust of the Soviets is boundless and personal. He still suspects that Korean Airlines Flight 007 was shot down in 1983 in part because the Soviets had learned that he was scheduled to be aboard. "Trust them?" he asks. "No way, Jose!"

—By Ted Gup/Washington

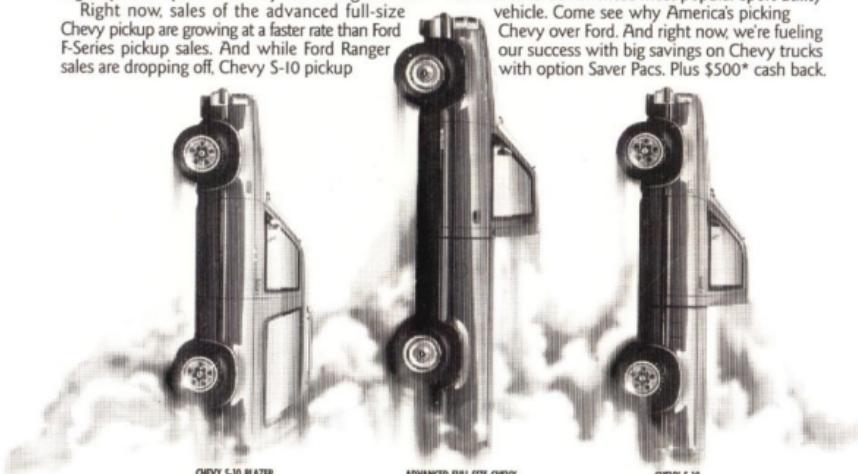
HIS DISTRUST OF THE SOVIETS IS BOUNDLESS AND personal. He still suspects that Korean Airlines Flight 007 was shot down in part because the Soviets [thought he would] be aboard.

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Video

Heady Days Again for Cable

New services are sprouting, viewing is on the rise—and the networks are nervous

Want to follow the ups and downs of cable television? Just watch Ted Turner, Atlanta's brash cable mogul and America's most entertaining businessman. In the go-go years of the 1970s and early '80s, Turner was the cable industry's chief cheerleader, creating the nation's first satellite-beamed superstation, WTBS, and confounding skeptics by successfully launching TV's first 24-hour news channel, the Cable News Network. In the mid-'80s, however, the cable industry hit a slump, and so did Turner. His 1984 attempt to start a music-video channel died after just a month on the air, his much publicized bid to take over CBS was an expensive fizzle, and his acquisition of MGM left the Turner Broadcasting System so debt ridden that it was forced to get a bailout from a group of cable companies.

But hold on to your hats, folks. Turner is back, once again doing what he enjoys most: pushing big and bold new cable venture. Dubbed, with typical Turner flourish, TNT (Turner Network Television), the new channel will debut on Oct. 3 with a telecast of Turner's favorite movie, *Gone With the Wind*. After that, it will offer an array of, in Turner's modest description, the "finest programming on this planet," ranging from Charlton Heston in *A Man for All Seasons* to (Turner hopes) major sports events like the Rose Bowl and the Masters golf tournament. Industry observers are skeptical that Turner can acquire such blockbuster events, but there is a growing sense that his ambitious new network just might succeed. Its very arrival makes a statement: heady days are here again for cable.

Financially, the industry has never been healthier. Cable now reaches 51% of U.S. television homes, and its programming attracts an average 20% of the viewing audience. That compares with a reach of 37% and an audience share of 11% five years ago. The industry's operating profits last year were a rosy \$279.4 million, up from a \$54 million loss in 1983. Cable systems are being bought and sold for rapidly escalating prices. And advertising revenue in 1987 exceeded \$1.1 billion, in contrast to \$380 million in 1983. Cable is one of the major competitors cutting into the ratings and revenue of the three broadcast networks. "Cable has certainly grabbed our attention," says David Poltrack, vice president of marketing at CBS. "Their \$1 billion [in ad revenue] is coming out of our hides."

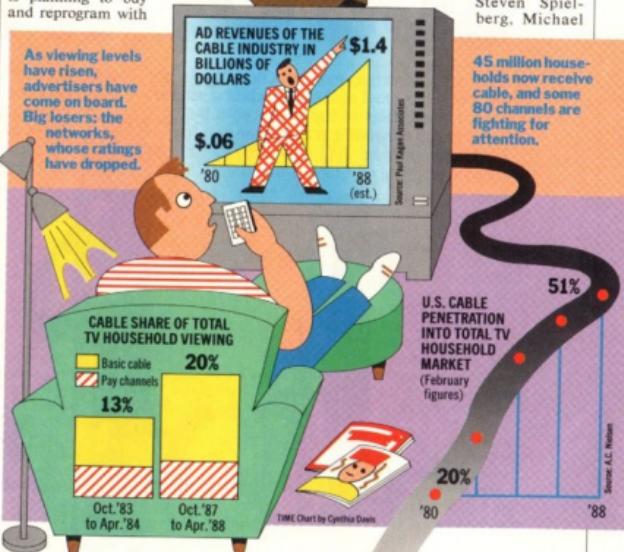
A few years ago, the cable landscape was littered with expensive flops (CBS Cable; the Satellite News Channel). Today

cable networks whose survival once seemed dubious—from the tony Arts & Entertainment Network to the drowsy Weather Channel—have become permanent fixtures. New program services, meanwhile, keep springing up. Among the coming attractions: Show Business Today, a channel of around-the-clock entertainment news, slated to start in January; and a revamped version of Tempo Television, which NBC is planning to buy and reprogram with

Lifetime, with a diet of talk and service shows aimed mostly at women, will turn out 2,000 hours of original programming this year, in contrast to 200 hours in 1983. Among the most innovative is the Nickelodeon children's channel, which will produce eight new series this year, twice as many as last year, including a children's talk show and a courtroom sitcom.

Major creative talents are starting to take notice. Steven Spielberg, Michael

As viewing levels have risen, advertisers have come on board. Big losers: the networks, whose ratings have dropped.



financial news during the day and sports at night and on weekends.

Much cable programming, to be sure, is still a morass of second-rate reruns, cheesy home-shopping shows and other filler fare. But original programming—often more adventurous than that of the three networks—is occupying a growing portion of the cable schedule. Pay services like HBO and Showtime have for years produced made-for-cable movies, comedy concerts and other original fare. Now basic cable services are getting into the act as well. The USA Network, once filled largely with creaky reruns, has increased the number of fresh shows dramatically.

Mann (*Miami Vice*) and John Hughes (*The Breakfast Club*) were among a group of Hollywood producers who appeared before a convention of cable executives in Los Angeles this month to avow their interest in producing shows for cable. Martin Sheen has formed a production company to develop shows exclusively for cable. So has Shelley Duvall, a cable pioneer with her *Faerie Tale Theatre* series on Showtime. "In terms of creative freedom, cable television today is where broadcast television was in the 1950s," says Duvall. "Producers have a lot of room to explore new frontiers."

The networks too are beginning to go

after cable shows. When Cinemax's *Max Headroom* became a cult hit last season, ABC spirited the computer-created character away and repackaged him in a prime-time (if short-lived) series. The Fox network has picked up Showtime's critically acclaimed comedy series *It's Garry Shandling's Show* and has fashioned an adult version of Nickelodeon's children's game show *Double Dare*. NBC is carrying the cross-pollination one step further, with plans to produce a comedy series, *Good Morning, Miss Bliss*, for the Disney Channel. The show may also air on NBC, but only after a first run on cable.

Meanwhile, cable networks are bidding aggressively against their broadcast rivals for programming. Syndicated reruns of such current network hits as *Miami Vice*, *Cagney & Lacey* and *Murder, She Wrote* have been sold to cable rather than broadcast stations, as would have been the case five or ten years ago. Cable has also

seen the World Series or the Super Bowl on cable," says Herbert Granath, president of ABC's cable division. "Congress would intervene to prevent that."

Indeed, Congress and federal regulators are already taking some hard looks at cable's newfound muscle. During the 1970s and early '80s, a number of regulatory benefits were given to cable in an effort to encourage the fledgling industry. Now competitors complain that cable enjoys several unfair advantages in the marketplace. One of them was removed last week, when the Federal Communications Commission voted to reimpose the so-called syndicated exclusivity rules. Broadcasters have long argued that local stations that buy exclusive rights to syndicated programming are being hurt by cable channels airing the same shows (typically, reruns of old network series like *Bewitched* and *M*A*S*H*). Under the new regulations—which will go into effect twelve months from now—cable operators will be required to black out

networks to the less-watched numbers at the high end of the dial—"cable Siberia," as some call it. Viewers have little recourse against such moves because in most communities there is only one cable company to choose from. "There is only one funnel to the TV home," Jack Valentini, president of the Motion Picture Association of America, told a House telecommunications subcommittee hearing. "If you are unhappy with your cable system, you have no forum where your grievance can be addressed ... You either pay up or you get off."

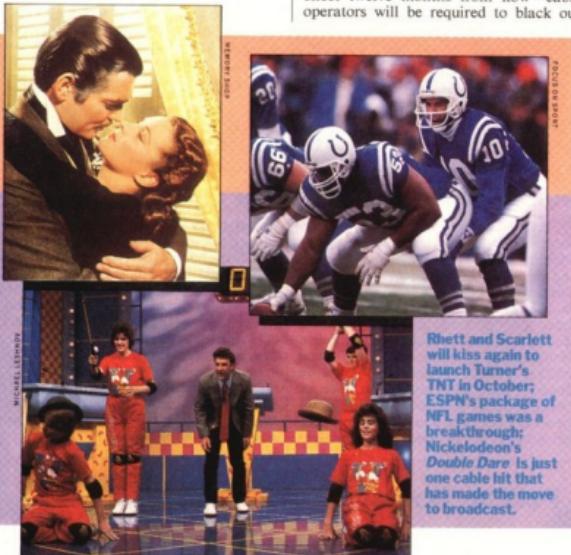
Cable opponents have other beefs as well. Hollywood is unhappy that cable superstations are able to retransmit syndicated shows for a nominal, Government-imposed fee instead of negotiating such fees directly with distributors. Also drawing fire is the industry's growing "vertical integration": cable systems that have a financial interest in program services. The largest owner of cable systems, Tele-Communications, Inc., for example, is a part owner of the Turner Broadcasting System, as well as an investor in Black Entertainment Television, the Discovery Channel and several other cable networks. Time Inc., the parent of the second largest cable operator, American Television & Communications Corp., also has a piece of Turner's company and owns two of the largest pay-cable networks, HBO and Cinemax. Critics charge that cable operators give preferential treatment to networks in which they have a financial stake, at the expense of other, equally deserving channels.

Cable operators deny the charges of favoritism, pointing out that they have invested in programming to ensure the survival of financially shaky networks and foster diversity and quality. "If systems operators didn't take their money and invest it in [programming] like Black Entertainment Television and CNN," says John Malone, president of TCI, "they wouldn't exist, because no one else wanted to put up the money." Cable operators, they add, seek the best mix of programming to attract the largest number of subscribers. "We won't carry junk just because we have an interest in it," says ATC Chairman Trygve Myhren.

Although both the Senate and the House have held hearings on cable TV in recent months, no new regulatory laws appear imminent. But even in the free market, cable is facing competitive threats. The burgeoning videocassette market is challenging cable for viewers. Local telephone companies yearn for a piece of the action; they are fighting to remove restrictions that prevent them from entering the cable business. As cable booms, the biggest threat to programmers may come from the industry's expansion. With channels and programs proliferating, the multitude of choices will make it harder for any but the best programmers to attract a big enough audience to prosper. Ted Turner is betting that he can make TNT into one of the winners.

—By Richard Zoglin

Reported by Thomas McCarroll/New York



been on the offensive in the sports arena. ESPN last year brought National Football League games to cable for the first time, buying a package of 39 contests over three years. ESPN's eight regular-season NFL telecasts last fall garnered the all-sports network its highest ratings ever. Ted Turner is negotiating with NBC to pick up a selection of Olympics events for his Atlanta-based superstation during the Summer Games in Seoul. With its growing financial clout, cable could one day bid for the rights to major events like the World Series—though whether it could successfully take such events away from "free TV" is doubtful. "It will snow in July before you

such duplicative cable shows or offer alternative programming.

Critics charge that cable is getting a number of other unfair breaks. Since the Cable Communications Policy Act was enacted in 1984, most local communities can no longer regulate the rates cable systems charge subscribers. With the elimination of the "must carry" rule (struck down as unconstitutional by a federal appeals court), cable operators are not even required to carry all the broadcast stations in their local area. As a result, some small stations have been dropped; others have been shifted from desirable low-channel positions near the

Law

Lifting the Lid on Garbage

The high court gives police broad power to search trash

Putting out the garbage is one of life's duller necessities. Last week that boring chore became a bit riskier. By a 6-to-2 vote, the U.S. Supreme Court ruled that police may freely rummage through ordinary household trash left at curbside without obtaining a search warrant. The decision was welcomed by the law-enforcement community, which has learned that garbage contains a lot of incriminating ingredients, but it upset civil libertarians. They read the opinion as a tightening of the judicial noose around the already embattled right of personal privacy.

The court's pronouncement involved the garbage of Billy Greenwood of Laguna Beach, Calif. In 1984, after learning from an informant that Greenwood might be dealing drugs and after observing a parade of cars making brief nocturnal stops at his posh hilltop home, Police Investigator Jenny Jones asked the local refuse collector to turn over the brown plastic trash bags in front of the house. Clawing through the contents with rubber gloves, officers uncovered a rich nest of drug-related paraphernalia: razor blades, straws containing cocaine residue, and phone bills listing calls to people with drug records. Based on this evidence, the police obtained a warrant to search the house, found cocaine and hashish inside, and arrested Greenwood. He protested the original warrantless investigation of his trash bags, claiming it violated the Fourth Amendment ban against unreasonable searches and seizures. Two California courts agreed with Greenwood, but last week the highest court resoundingly rejected his argument.

"It is common knowledge that plastic garbage bags left on or at the side of a public street are readily accessible to animals, children, scavengers, snoops and other members of the public," declared Justice Byron White for the majority. Requiring police to seek warrants before searching such refuse would therefore be inappropriate, he wrote. Rubbish, responded Dissenters William Brennan and Thurgood Marshall, who predicted that "members of our society will be shocked" by the court's ruling. "Scrutiny of another's trash is contrary to commonly accepted notions of civilized behavior," they maintained. "A single bag of trash testifies eloquently to the eating, reading and recreational habits of the person who produced it."



Police agencies readily admit that they can learn a lot about a person by examining household garbage. Both the FBI and the Drug Enforcement Administration regularly engage in trash searches, as do many police departments. "People throw away all kinds of things," observes Hubert Williams, president of the Police Foundation. "Phone numbers, trace evidence, bank statements—you'd be amazed." Most lower courts that have reviewed police trash searches have given them the green light, and now that the high bench has done the same, more detectives

can be expected to prowl through refuse.

To Arthur Spitzer of the American Civil Liberties Union, the decision "is one more step in squeezing the right to privacy to the point where Americans will no longer feel secure against the prying eyes of Big Brother." Although their assessments are less dire, other legal observers are concerned too. "The message is, Be careful of what you put in the garbage," says New York University Law Professor Graham Hughes. Predicts Sanford Kadish of the University of California, Berkeley, law school: "This may create a run on incinerators and shredders." Last week's ruling did not, however, surprise many legal scholars. In recent years the Supreme Court has taken a narrow view of the right to privacy and has given police broad powers to search cars, inspect fenced-in fields, and spy on house plots from the air without a warrant.

The public reaction to the legal rifling of garbage by police is not yet clear, but there are many reasons for alarm. Just how embarrassing a search can be even for innocent parties was demon-

strated in 1975, when the *National Enquirer* made off with five bags of refuse from outside the home of Secretary of State Henry Kissinger and published its gleanings. Other celebrities have also had their garbage snooped. In some fundamental sense, we are what we throw away. The prospect of having the authorities snoop in such intimate realms is enough to make one wish upon them more of what FBI agents say is the worst peril of garbage: searching dirty diapers.

—By Alain L. Sanders.
Reported by Anne Constable/Washington and James Willwerth/Los Angeles

Policing Doctors

In the clubby and litigious world of medicine, doctors have been reluctant to finger incompetent colleagues. A high-court decision last week is likely to make them even shyer. The case, closely tracked by the medical community, involved Surgeon Timothy Patrick. In 1981 a peer-review panel was considering ending his privileges at the only hospital in Astoria, Ore., on the grounds of substandard patient care. Patrick resigned and sued the doctors in a rival practice, who had initiated and participated in the proceedings against him. His claim: conspiracy to eliminate a competitor. Though the

law partly protects physicians who serve on peer-review panels from antitrust actions, the court ruled 8 to 0 that this protection did not apply here; it upheld a lower-court award of \$2.2 million in damages to Dr. Patrick.

The decision prompted loud groans from the American Medical Association, which saw it as a threat to peer review. Though the A.M.A. admits the procedure may have gone awry in Patrick's case, it would have preferred a resolution at the state level rather than through federal antitrust laws. Antitrust damages are especially painful because they come out of a doctor's own pocket, notes A.M.A. General Counsel Kirk Johnson. "Antitrust is the atom bomb of lawsuits."



Milestones

SENTENCE REDUCED. For **Clayton Lonetree**, 26, U.S. Marine sergeant; from 30 years in prison to 25; for espionage; in Quantico, Va. Lonetree was convicted last August on charges stemming from his entanglement with Soviet agents while serving as an embassy guard in Moscow and Vienna. Because he cooperated with counterintelligence specialists during post-trial briefings, he will now qualify for parole in eight years.

HOSPITALIZED. **Jackie Presser**, 61, president of the 1.7 million-member Teamsters Union; for surgery to remove a malignant tumor from inside his skull; in Phoenix. He is scheduled to stand trial in Cleveland in July on federal charges that he paid union funds to "ghost" employees who did no work. He maintains that the scheme was authorized by the FBI.

DIED. **Charles ("Daws") Butler**, 71, the voice of Yogi Bear, Elroy Jetson and dozens of other cartoon characters; of a heart attack; in Los Angeles. Originating dim-witted Reddy the dog on Hanna-Barbera's first television feature, the *Ruff and Reddy Show* in 1957, Butler created cartoon voices for more than 30 years. A baritone when not in character, he counted among his most memorable vocals the syrupy Southern elisions of Huckleberry Hound, the sibilants of Snagglepuss and the low-pitched chuckling of Wally Gator.

DIED. **Robert Shaplen**, 71, doyen of U.S. correspondents in Asia and incisive chronicler of the continent's anticolonial revolutions; in New York City. In a half-century career with the New York *Herald Tribune*, *Newsweek*, *FORTUNE*, *Collier's* and *The New Yorker*, Shaplen reported stories ranging from Mao Zedong's remote cave redoubt in 1946 to the fall of Saigon in 1975.

DIED. **Sergei Gorshkov**, 78, visionary admiral who transformed the Soviet fleet from a coastal defense force into a 2,400-ship armada. As commander in chief of the Soviet navy from 1956 to 1985, he convinced Kremlin leaders that maritime power, particularly in the form of missile-firing submarines, could be an instrument of Soviet policy. Gorshkov once boasted, "The United States will have to understand it no longer has mastery of the seas." His 1976 work, *The Sea Power of the State*, won respect from U.S. naval planners.

DIED. **Willem Drees**, 101, former Dutch Prime Minister and a leader of the resistance against the Nazi occupation; in the Hague. As postwar Minister of Social Affairs and their Prime Minister from 1948 to 1958, Laborite Drees broadened the welfare state and reversed traditional Dutch neutrality to lead his country into NATO. After a four-year war to retain Dutch control over its Indonesian colonies, Drees' government finally granted their independence in 1949.

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Medicine

Why It's So Hard to Quit Smoking

A new report declares that tobacco, like heroin, is addictive

Anyone who has ever tried to give up smoking cigarettes knows the meaning of being hooked. Even those who succeed in quitting for the first time suffer the same 75% relapse rate as recovering alcoholics and heroin addicts. Last week the U.S. Surgeon General made official what everyone has recognized for a long time: tobacco, like cocaine or heroin, is addictive. In a no-holds-barred, 618-page report, the forthright C. Everett Koop not only proclaimed that "cigarettes and other forms of tobacco are addicting" but also urged that they should be treated with the same caution as illegal street narcotics.

Based on two decades of research by more than 50 scientists, Koop's 1½-in-thick treatise, titled *The Health Consequences of Smoking: Nicotine Addiction*, earned unanimous accolades from the medical community as well as praise from politicians. "The Surgeon General's report is a clear challenge to all who care about the health of smokers," says Ovide Pomerleau, professor of behavioral medicine at the University of Michigan. "This socially approved habit is going to go the way of the spittoon." Among Koop's recommendations: warning labels about addiction on packages of tobacco products, a ban on cigarette vending machines in order to curb availability to children and tighter regulation of tobacco sales through licensing. Democratic Senator Bill Bradley of New Jersey has already introduced legislation in Congress that would require tobacco companies to print an additional caveat on their products: "Smoking is addictive. Once you start you may not be able to stop."

The tobacco industry, as expected, blasted the Surgeon General's report. "The claims that smokers are 'addicts' defy common sense and contradict the fact that people quit smoking every day," said Brennan Moran, a spokeswoman for the Tobacco Institute. "The Surgeon General has mistaken the enemy," declared Democratic Senator Terry Sanford of North Carolina. "In comparing tobacco—a legitimate and legal substance—to insidious narcotics such as heroin and cocaine, he has directed 'friendly fire' at American farmers and businessmen."

Koop's retort was devastating. "I haven't mistaken the enemy," he countered. "My enemy kills 350,000 people a year." In the U.S. in 1986, smoking-related lung ailments accounted for 108,000 deaths; heart disease, 200,000 more. By comparison, Koop continued, cocaine and opiates such as heroin dispatch about 6,000 people a year and alcohol about 125,000. Said he: "I think we're way ahead on deaths." As for nicotine's addic-

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- 2 Increases heart rate and blood pressure**
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- 4 Reduces circulation to extremities**
- 5 Suppresses appetite for carbohydrates**



Source: Ovide Pomerleau, University of Michigan

tive qualities, the Surgeon General cited several national surveys that reveal 75% to 85% of the nation's 51 million smokers would like to quit but have so far been unable to do so.

The panic of a heavy smoker bereft of cigarettes speaks alarmingly of a physiological force at work that is more powerful than mere desire. Not long after taking up the habit, smokers become tolerant of nicotine's effects; as with heroin and cocaine, dependence quickly follows. Tobacco only seems safer because it is not immediately dangerous. Nicotine is not likely, for example, to fatally overstimulate a healthy heart, cause disorienting hallucinations or pack anywhere near the same euphoric punch as many other drugs. "People die with crack immediately," explains Alexander Glassman, a psychopharmacologist at the New York State Psychiatric Institute in Manhattan.

"With cigarettes the problems occur 20 years down the line. Nobody lights up their first cigarette and dies."

Like many drugs that affect the nervous system, nicotine at once stimulates and relaxes the body. Because it is inhaled, it takes only seven to ten seconds to reach the brain—twice as fast as intravenous drugs and three times faster than alcohol. Once there, it mimics some of the actions of adrenaline, a hormone, and acetylcholine, a powerful neurotransmitter that touches off the brain's alarm system, among other things. After a few puffs, the level of nicotine in the blood skyrockets, the heart beats faster and blood pressure increases. Result: smokers become more alert and may actually even think faster. In addition, nicotine may produce a calming effect by triggering the release of natural opiates called beta-endorphins. Thus a smoker literally commands two states of mind—alertness and relaxation.

Nicotine operates on other parts of the body as well. By constricting blood vessels, it casts a pallor over the face and diminishes circulation in the extremities, often causing chilliness in the arms and legs. It relaxes the muscles and suppresses the appetite for carbohydrates. Since nicotine cannot be stored in the body, smokers maintain a relatively constant level in the blood by continuing to smoke. "Because you take 200 to 400 of these hits a day, there's a lot of reinforcement," says Nina Schneider, a psychopharmacologist at the University of California, Los Angeles. "It's self-administered, and it controls mood and performance. That's what makes it so powerfully addicting."

Despite all this, smoking can be conquered. Although ex-heroin users have reported that tobacco's grip was harder to break than their illicit drug habit, 43 million Americans have managed to quit smoking, mostly succeeding on their own. Increasingly, though, the one-third of all Americans who still smoke are seeking help in antismoking programs, which generally stress that the tobacco habit is a treatable addiction. The best stop-smoking programs, says Thomas Kottke, a senior consultant at the Mayo Clinic in Rochester, Minn., combine several approaches with plenty of long-term support for the struggling nonsmoker. In a study published last week in the *Journal of the American Medical Association*, Kottke's team compared 39 different regimens—from self-help books to sensory deprivation—and found that they all worked about the same. The real key to success, the researchers discovered, lies in the amount of face-to-face encouragement smokers get from physicians, friends and relatives. Even if it takes repeated attempts, the ultimate benefits of quitting far outweigh the anguish that accompanies it.

—By Christine Gorman.
Reported by Barbara Dolan/Chicago and Glenn Garelik/Washington



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Environment



Baited traps suspended from trees to lure the ferocious insects, inset, at Puerto Escondido

Rising Unease about Killer Bees

But a surprise awaits the U.S.-bound invaders in Mexico

For years Texas residents have been abuzz about the imminent invasion of Africanized honeybees. But in recent months the hum over the so-called killer bees has reached frenzied proportions. Local television stations have been running tapes from crews dispatched to Central America, showing ferocious swarms attacking researchers and news crews. Mosquito eradication units have been readied with special gear to wipe out the expected insect intruders. Several times a week, Houstonians sound the alarm, phoning pest-control agencies with the urgent and disquieting news: "They're here."

Well, no, not quite yet. The nervous callers apparently mistook the gentler European honeybees for the aggressive killer bees, which U.S. officials say have proceeded no farther northward than central Mexico. But the Texans' growing unease is understandable: unless the bees are headed off or at least slowed down, they may reach the Texas border as early as next year. Mexican and American scientists are doing their level best to keep that from occurring. Near the narrowest part of southern Mexico, where the rugged Sierra Madre sweeps close to the coast, they have prepared a stand against the marauders, a kind of apianian Thermopylae.

The insects have been migrating northward by the millions since 1957, when several swarms imported to Brazil from Africa were accidentally released. Sounding like a small airplane in flight, the hordes have been traveling at the rate of more than 300 miles a year. The bees are more aggressive than most domestic strains; when disturbed or defending their nests, they frequently attack animals and

humans. Although their venom is no more potent than that of European bees, they are much likelier to sting, and so many sting at once that serious injury, even death, can result. Hundreds have died from such attacks in Latin America.

Once the bees cross the Rio Grande, scientists fear, they could wreak havoc among U.S. beekeepers and farmers whose crops depend on bees for pollination. Reason: aggressive Africanized bees, which will interbreed with their gentler domestic cousins, are less efficient pollinators and honey producers.

The sites chosen for the coming standoffs are two coastal strips centered on Puerto Escondido on the Pacific Coast and Huatulco on the Caribbean. The bees, which are reluctant to fly higher than 3,000 ft., will be funneled into passes, where they will be trapped and

killed or tricked into doing themselves in. The U.S. and Mexico are sharing the \$6.3 million price tag for the two-year project.

Right now the migrating bees have begun to reach the Pacific Coast killing fields, where hives baited with pheromones or sexual scents, await them. Once the insects are enticed inside, plastic bags will be pulled tight over the hives to suffocate them. To prevent the bees from taking over the working hives of the more docile European honeybee, all European queen bees in the area are being marked with a bright spot of acrylic paint. Their hives will be checked every month for the presence of Africanized queens.

As in Panama, where the Canal Commission maintains 24-hour bee-control teams to stop stowaway killer bees, quarantine posts are being established on roads leading out of the southern Mexico defense area to prevent swarms from hitchhiking. Whole colonies have made their way to California on board freighters, but all the known stowaways have been destroyed.

While the showdown looms in Mexico, U.S. scientists are looking for further clues to the Africanized bee's physiology. There is some evidence, for example, that killer bees do not thrive in colder climates. But even if they colonize only in the warmer Southern states, there is plenty of reason to worry about the potential costs. Lost sales of honey and damage to fruit, nut and vegetable crops worth billions of dollars each year could be substantial, not to mention lives lost to fatal stings.

Already killer bees have exacted a toll in fear that shows no signs of abating. "The bees are coming," says Fowden Maxwell, an entomologist at Texas A & M. "There's no way to stop them. But I'm optimistic we can minimize their impact." Still, says Houston Beekeeper Darrell Lister: "I'm afraid we're going to have a panic when they finally arrive. Everyone will be out with a spray can, and the only good bee will be a dead bee." —By John Borrell/Mexico City

Arctic Trouble

The other shoe had to drop sooner or later. For five years, atmospheric scientists have known that a 3,000-mile hole in the ozone layer develops over Antarctica during the southern spring. The phenomenon is dramatic evidence of ozone loss in the upper atmosphere, caused largely by man-made chemicals called chlorofluorocarbons, which could leave the earth more vulnerable to cancer-inducing rays from the sun. Now, it seems, there is mounting evidence that the Arctic has its own ozone hole, albeit a smaller one. At the American Geophysical Union meeting last week in Baltimore,

W.F.J. Evans, an atmospheric physicist with the Canadian Department of the Environment, announced that an ozone "crater" 1,500 miles wide may be developing over the North Pole.

Evans' findings are based on the release in 1986 of a series of research balloons at Alert, Canada, near the North Pole. Scientific instruments aboard the craft detected a significant loss of ozone between January and March of that year. Unlike the Antarctic ozone hole, however, the Arctic crater formed only patchily in 1987 and scarcely appeared at all in 1988. For now, Evans' colleagues have reserved judgment about his discovery until further studies of the Arctic atmosphere can be made.

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-Russian visitor to the Wyeth exhibition in Leningrad



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THREE GENERATIONS OF WYETH ART

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Technology

Zoom! Click! (Compute) Shoot!

The new cameras are feature packed and smarter than ever

Photographers used to fall into two clearly focused categories: professionals who lugged around bags overstuffed with expensive lenses, meters and flash attachments and amateurs who made do with Instamatics and flashcubes. That distinction gradually blurred as advanced features drifted down to the low-priced cameras and automatic functions moved up to make the high-priced models increasingly easy to use. But in recent years the pace of change in camera technology has accelerated to the point where the old categories no longer apply. Today even the most casual shutterbugs can have at their fingertips all the photographic tools the pros use—as well as a few gimmicks that have yet to appear on professional units.

No cameras embody this trend more completely than three new 35-mm models from Olympus, Chinon and Yashica that are making their debuts in U.S. camera stores this month. Not only are they packed with computer chips and high-tech features, but each also sports a new, high-tech look, one that owes more to the smooth curves of the video camcorder than to the basic rectangular design that has dominated 35-mm cameras since the 1924 Leica Model "A." Says Yasuhiko Nakayama, the veteran video-camera designer who created the Chinon Genesis: "We wanted a unique design concept to match the new type of camera."

The new cameras are full of advanced engineering. Like many popular "point-and-click" models, each boasts functions

that used to require manual operation but are now automatic: exposure control, focus, flash, loading, winding and film-speed setting. To these have been added some new twists, including infrared beams for focusing in the dark, automatic exposure compensation for subjects that are lit from behind, and a built-in zoom lens for wide-angle and telephoto shots with a flash unit smart enough to narrow or widen its beams accordingly. The zoom lens of the Chinon Genesis is hand operated; in the Yashica Samurai and Olympus Infinity SuperZoom 300 it is powered by push-button controls.

Of the three models, the Olympus SuperZoom makes what are perhaps the most impressive technological leaps. To keep its weight and cost down, the camera uses a separate viewing window rather than the so-called single-lens reflex design adopted by Yashica and Chinon. To ensure that what the photographer sees matches what is captured on film, Olympus engineers had to link the viewing window to the main lens in such a way that the viewfinder zooms as the lens does. Yashica and Chinon avoided this complication by using the standard SLR prism-and-mirror arrangement that lets one view and shoot through the same lens; to stay trim, Yashica uses a vertical format that makes negatives half the size of a standard 35-mm picture.

An even more striking feature of the Olympus is its "auto zooming portrait mode." The user simply selects the proper setting on the camera's control panel, points and clicks. The lens will zoom in or out to ensure that the subject's head and shoulders are well framed in the viewfinder. "If you want to take portraits of people at a party," says David Willard, a senior vice president at Olympus, "the camera will automatically zoom to give you same-size shots of everyone."

How does the camera do it? First it uses its autofocus system to measure the distance to the subject. Since the camera is programmed to know how wide an angle is necessary to accommodate the aver-

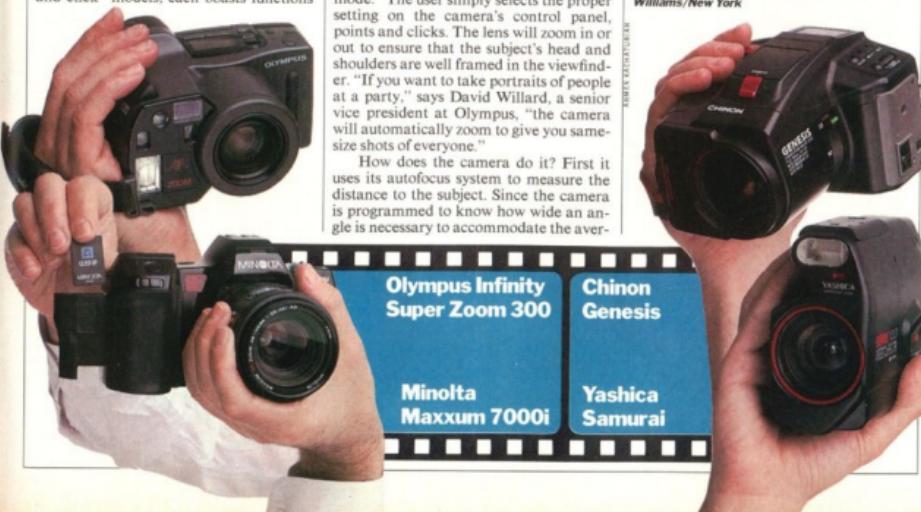
age person's head and shoulders at any given distance, it can adjust the zoom lens accordingly.

The new models are trying to wrest sales from Minolta, whose best-selling Maxxum model was the first to bring automatic-focusing technology to single-lens reflex cameras. Now that the competition is coming up fast, Minolta is not standing still. Last week it introduced two new models in the Maxxum series, as well as an array of lenses and high-tech accessories. These include several plug-in cards that reprogram the Maxxum's computerized focus, exposure and film-advance systems for such special assignments as high-speed sports photography, formal portraiture and tight-focused close-ups.

None of this technology comes cheap. The suggested retail prices of these "amateur" cameras—more than \$500 for the Olympus, Chinon and Yashica models, and nearly \$840 for the Minolta Maxxum 7000i—exceed those of many cameras designed for professionals. Moreover, their user-friendly controls add several layers of technology that some pros may find irritating. In the auto-zoom mode on the Olympus, for example, everything may look fine in the viewfinder, but the camera will refuse to take the picture if the subject is too far away to be adequately lit or properly zoomed into portrait size. Says Barry Tanenbaum, editor of *Modern Photography* magazine: "There is such a thing as a camera being too smart."

And for all their technical sophistication, none of these cameras can offer the kind of artistic instinct and guidance that are necessary to guarantee pictures that actually look good. —By Philip Elmer-DeWitt.

Reported by Yukinori Ishikawa/Tokyo and Linda Williams/New York



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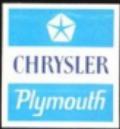
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Design

A Boost for Good Old Modernism

Two pioneers share a top architecture prize

Mies van der Rohe and Le Corbusier may have dreamed up modernist architecture in Europe during the 1920s, but it took architects of the next generation, working in the wide-open, up-and-at-'em Western hemisphere, to make European functionalism a ubiquitous International Style during the 1950s and '60s. Two of the most fluent and influential New World apostles were the U.S.'s Gordon Bunshaft and Brazil's Oscar Niemeyer.

Niemeyer. This week in Chicago the two unrepentant old modernists will share the tenth annual Pritzker Architecture Prize. The Pritzker is by far the field's most prestigious award and, with its \$100,000 honorarium, the most generous. The tribute, says Bunshaft, "is the nicest thing that ever happened to me."

The prize has never before been shared, but the pairing seems apt. Both Niemeyer, 80, and Bunshaft, 79, are really being honored for their pioneering work of 25 and 35 years ago. Bunshaft is the Miesian. As the chief design partner at New York City's Skidmore, Owings & Merrill, he was the creator in the 1950s and early '60s of humane, impeccable steel-frame-and-glass-skin office towers, among the best built anywhere. Niemeyer is the prolific Corbusian, quirkier and more perilously romantic builder of singular, often bombastic objects—most notably the major public buildings of Brasília, the utopian Brazilian capital built all at once between 1957 and 1963.

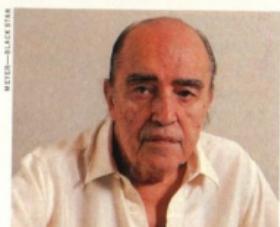
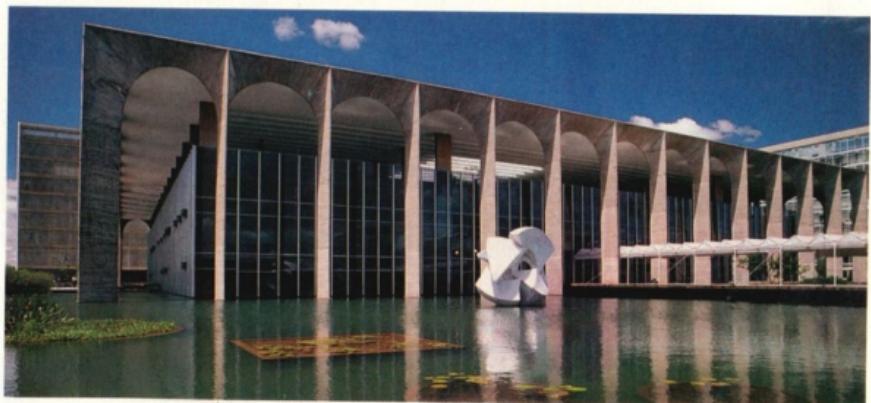
Both men designed buildings for the 1939 New York World's Fair. Bunshaft conceived his best and best-known work, Manhattan's Lever House, just as the United Nations headquarters, designed in large part by Niemeyer, was going up a few blocks southeast. Both men were the

quintessentially Establishment architects of their generation. And, with success, both tended toward mannerism, became immune to tempering influences and got carried away with the thrills of go-go grandiosity.

Both, too, were profoundly out of fashion for most of the 1970s and '80s, during the era of ferocious antimodernist reaction. But now the pendulum is swinging back again, which may account for this week's eleventh-hour attempt to rehabilitate two modernist reputations at once. Neither prizewinner is interested in making a pretense of mellowness. In the acceptance speech he prepared for his daughter to read, Niemeyer disparaged a "minor architecture made with a ruler and square" and, a bit self-servingly, endorsed the "search for the spectacular." The more plainspoken Bunshaft dismisses apostates and revels in his sense of vindication. "I think the committee is saying that modern architecture is pretty good," he reckons. "Young architects are turning away from postmodernism, and I think they're going to turn toward precision even more than modernism did. It'll make Lever House look like a sentimental old lady."

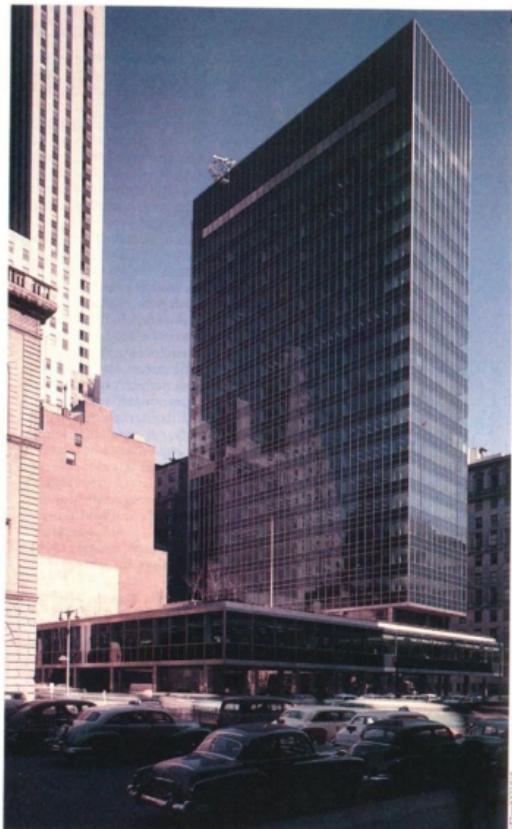
—By Kurt Andersen

Reported by Laura López/Rio de Janeiro and Janice C. Simpson/New York

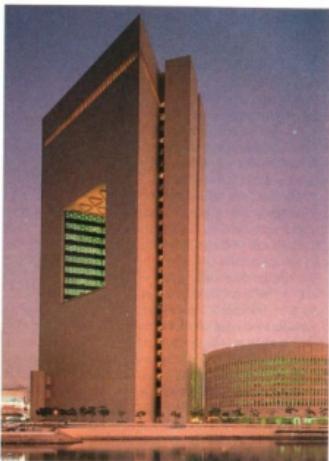


NIEMEYER—BLACK STAR

■ Considered simply as an artifact of late-modern tropical baroque, the Itamaraty Palace is among the more fetching of Niemeyer's buildings in Brasília. The deep, arched colonnades mitigate the building's object-in-a-field shrillness as well as the cruel sun. But Brasília is finally, at best, an overbearing collection of virtuous objects—not really a city at all, but the most extravagant failure of abstract, know-it-all urban planning in the world, devoid of life. Niemeyer, however, says he would do it the same way all over again.



■ There are very few great office towers in the world. Bunshaft's Lever House is one. Seen at left shortly after it opened in 1952, it was one of the first tall buildings with a sealed, tacked-on glass curtain-wall skin. Today's architects and developers would do well to return to the building—appropriately scaled, perfectly proportioned, graceful, tough, quiet, confident—as a model. At 24 stories, it is refreshingly small by contemporary standards. "I like architecture you don't have to lie on your back to see," Bunshaft says. The architect, in fact, is responsible for several of the most thoughtful, deeply elegant office buildings of the '50s and early '60s, including a four-story glass-box bank for Manufacturers Hanover and the delicate, precisionist former PepsiCo building, both also in Manhattan.



■ In the 1970s Bunshaft, like other aging, outré modernists in the U.S. and Japan, found that developing countries were still in the thrall of monumentalism. His last project before he retired in 1979 was the awesomely abstract National Commercial Bank headquarters in Jidda, Saudi Arabia. A triangular travertine block, it has no obvious front or back, no unequivocal top or bottom. The building is 27 stories tall, but it could be seven or 270; it lacks human reference. It is Bunshaft's favorite. The architect in the end seemed to grow defeatist about minimalism and the possibilities of subtle invention, seduced instead by sheer size and pomposity. "The architecture today would have nothing to do with what I liked doing," he says. "It's a different world—and I prefer mine."



Cinema

Muscles + Money = Excess

RAMBO III Directed by Peter Macdonald
Screenplay by Sylvester Stallone and Sheldon Lettich

You can amuse yourself with the film's budget, which some say was \$63 million—with about a quarter of that going to Sylvester Stallone. The producers insist that the excess was nowhere near so wretched, but *Rambo III* is still probably among the most expensive movies in history. So you naturally get to thinking that for such an investment the filmmakers ought to be able to come up with some scenery or spectacle more entrancing than sun and firelight glinting off Sly Stallone's ever rippling muscles.

Or you can amuse yourself with the mythology. Once, history tells us, entire societies were organized around warrior cults. The leaders were austere fellows like John Rambo, who kept to themselves, refusing to acknowledge pain or break training. They must have indulged in such mundane activities as sleep, sex and food, but never in front of the peasants.

The cults are all gone now, and all that is left is Rambo, here coming around for the third time. This lone figure—pushed to the social margin, lost in self-absorption—is apparently capable of awakening and satisfying an atavistic yearning for heroic purity in so many hearts that he is, in movie terms, cost



Fresh from the monastery: Stallone fires away

effective no matter what the price.

What few are likely to find amusing is *Rambo III*'s story line. For a novelty, the superhero this time is discovered not ardent but tranquil, living in a Buddhist monastery in Thailand. Sure, he occasionally indulges in the local sport of stick fighting to keep in trim, but mostly he enjoys the silence and the sunsets. When his mentor and only friend, Colonel Sam Trautman (Richard Crenna), is captured by a particularly disagreeable Soviet officer while try-

ing to aid the Afghan rebels, Rambo is recalled to primitive business as usual. There are, of course, low cunning, high explosives and much running around without a shirt, punctuated with other familiar gambits: torture scenes; the self-caterization of, and instant recovery from, a wound large enough to stop an elephant; and a grimly preposterous two-man stand against a tank-led army.

And, of course, many, many close-ups of the star, whose expressive range, never very wide, has now narrowed to an all-purpose mask. Stallone seems to feel that facial muscles are the only ones that do not require constant workouts. It's the same way with conversation, which he obviously worries might interrupt the awed contemplation of his beauty. A lowball estimate indicates that, not counting grunts and groans, the star collected about \$500,000 per spoken sentence on this film. All this staring and gawking somewhat slows the action, which is more crudely orchestrated than in the previous

Rambo adventures.

Rambo III will collect a certain amount of contempt for projecting, at this late date, a ludicrous cold war stereotype—the Soviet as gibbering sadist—and a certain amount of comment for going into release just as the Soviets are withdrawing from Afghanistan. But what is the spirit of *glasnost* compared with the needs of a successful actor's ego and his fans' expectations? Somebody has to keep the priorities straight around here. —By Richard Schickel

Bushwhacked

"CROCODILE" DUNDEE II

It was all so simple the first time around. Find a natural man and bring him to the big city where he can teach the slickers a thing or two about the continuing validity of the simpler values like courage, modesty, an equitable temperament and a straightforward definition of right and wrong. It was a little like watching Mr. Smith go to Washington or Mr. Deeds go to town. Except that Mick ("Crocodile") Dundee (Paul Hogan) not only spoke softly but also carried this enormous Australian bush knife, particularly useful in cutting through useless conversations.

"Crocodile" Dundee II reverses the formula by sending the natural man back to nature, an idea that has the virtue of originality but can be executed only with much tedious maneuvering. For some reason Hogan and his son Brett, who co-wrote the script, have decided that their heavies should be a ring of Colombian drug dealers. They have to be manipulated to New York City in order to menace Sue Charlton (Linda Kozlowski), Mick's perpetually adoring girlfriend. Then an unlikely band of citizens has to be recruited to help him rescue her. Then the criminals must be lured all the way to Australia so that Mick can prove what we already know: that their street



Kozlowski and Hogan

smarts are no match for his outback smarts. Then, then, then. It's a little like listening to a child improvise a tall tale; the innocent charm quickly wears thin.

There are some sweet moments: Mick's casual rescue of a suicidal jumper from a skyscraper ledge; a momentary alliance with some Japanese tourists who prove to be funny adept at karate; a friendship with a black man determined to project a menacing image, though he is actually a peaceable stationery salesman. But the film's many narrative obligations keep interrupting the consistent development of a lively comic-adventure pace and tone. John Cornell makes a diffident first-time director, unable to punch up a scene or a performance—especially Hogan's. And Hogan is so determined to underplay his role that you sometimes have trouble hearing him. —RS.

Theater

The Biggest All-Time Flop Ever

Carrie's \$7 million close shows why musicals are like dinosaurs

Just a few days earlier, Choreographer Debbie Allen had been counseling the young performers of *Carrie* about how to handle sudden stardom. But as the disheartening word spread backstage, the ensemble members realized that they might have to learn instead to handle sudden unemployment. Last week, less than 72 hours after it opened as the Broadway season's most opulent American musical, *Carrie* closed. Stephen King's 1974 novel about a tormented teenager with psychic powers became a best seller, then a multiple Oscar nominee as a 1976 movie. But onstage it set records of a different sort: losing more than \$7 million made it Broadway's biggest failure ever. Said President Rocco Landesman of Jujamcyn Theaters, which invested \$500,000 and provided a house for the show: "This is the biggest flop in the world history of the theater, going all the way back to Aristophanes."

Carrie is just one more example, if an especially lurid one, of the self-destructive expansion of the Broadway musical. The form has become as ungainly and vulnerable as the dinosaur. Although the season just past is regarded as the strongest for musicals in a decade, eight of its 15 musical productions have closed, and two may soon join them.

Still, with *Carrie* the actors were not the only ones startled by the abruptness of the shutdown. The technical staff, the press agent, even the creators thought they had been assured of at least one more week by Producer Friedrich Kurz, 39, a West German impresario making his Broadway debut. Although most of the reviews had been scathing—particularly about the superannuated kick line of high school girls, cumbersomely elaborate sets and inadvertently hilarious dance number about slaughtering a pig—a number of critics nonetheless expected the show to find an audience and thrive. That was what had happened, despite savage reviews from London critics, during a four-week British trial run at the Stratford-upon-Avon home of the co-producer, the Royal Shakespeare Company. And night after night during Broadway previews, while some audience members laughed derisively, others thundered applause for the pelvic dances, the pyrotechnic effects and the open-throttle singing of Stars Linzi Hateley and Betty Buckley.

But after surveying the prospects, Kurz, who has prospered by importing *Cats* into his home country, flew back to Europe without telling Landesman or many of his other collaborators that he had ordered a closing notice to be put up at the theater. According to investors, Kurz thereby saved an estimated \$150,000 to \$175,000, the difference between another week's operating costs and the projected box-office



High tech, low grosses: *Carrie*'s high schoolers rock out at a drive-in. The producer left town, denouncing Broadway as "Russian roulette."

income. He was really prompted, however, by what usually determines the fate of unfavorably reviewed shows: he had run out of money. To have any hope of turning things around, he needs an additional \$2 million or more. That would pay for TV advertising and cover losses for up to two months until the ads and word of mouth might bring in a profitably large audience. "I made an economic decision to cut my losses," said Kurz in his Hamburg office. "Broadway is Russian roulette, and I'm not a gambler."

The advertising-and-word-of-mouth strategy worked for *Evita* (1979), which opened to unenthusiastic reviews yet ran for almost four years. But it is not infallible; an additional \$1 million enabled the 1985 *Singin' in the Rain* to survive almost a year, yet apparently did not recoup the show's \$5 million-plus investment. Still, says *Carrie*'s composer Michael Gore, whose credits include the movie *Fame*, "you can't produce a Broadway show without a reserve fund. That is my major dissatisfaction with this show."

Carrie might have had just such a reserve if it held to its original \$5 million budget. The show was eventually capitalized at \$7 million, primarily by British and West German investors who had scant Broadway experience. But runaway costs reached, by some accounts, about \$8 million, attributable partly to the high-tech fashion in current musicals, partly to the complexity of multinational production, partly to old-fashioned indulgence. Says the Royal Shakespeare Company's artistic director Terry Hands, who staged the show: "It started to be loaded with lavish trapings, none of which I believe were necessary." Sources involved in financing the project estimate that the show's design elements alone cost nearly \$4 million, including about \$1 million each for costumes, sound and the elaborate hydraulically powered sets. About a third of Jujamcyn's \$500,000 investment was spent on repainting its Virginia Theater black, to suit *Carrie*'s somber theme, and on installing electrical wiring for effects like the laser barrage at the climax, when *Carrie* burns down her school gym.

The Royal Shakespeare Company was paid for mounting *Carrie* as part of its season, and thus secured a profit of roughly \$500,000. As a result of the unusual transatlantic production, there was a hefty bill for the transport and lodging of the creators and the Anglo-American cast. On Broadway, some 20% of each week's box-office income was set aside for royalties to the creative team, including Novelist King, who otherwise had no role in the show. Another debated expenditure was \$500,000 plus for a print, poster and TV ad campaign in New York City before the show opened, much of it teasingly mysterious rather than hard sell.

As a result of all these costs, *Carrie* barely had carfare home after its Broadway opening night. There was no contingency plan, just a hope against hope for generosity from the critics. When that failed, Gore, Librettist Lawrence Cohen and Lyricist Dean Pitchford started shopping for emergency investors to create an instant reserve fund. Landesman pondered stepping in with more cash from Jujamcyn but in the end decided not to underwrite even one additional week's losses so the search for investors could go on. Explains Landesman: "I would have put up \$500,000, but I didn't see the rest of the \$2 million coming from anywhere." After a last forlorn scramble, neither did anyone else.

—By William A. Henry III

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Show Business



Daft penguins on parade: performers run through the teeterboard number

Pre-senn-ting the Circus of the Sun

A brash new troupe fills its tent with fresh ideas

Venerable tradition, sticky with the memory of cotton candy, has it that the circus never changes. That may be why a brash Canadian named Guy Laliberté says he hates the circus and why a colleague, Denis Lacombe, thinks clowns are boring. What makes their opinions worthwhile is that Laliberté is the founder of the Montreal-based Cirque du Soleil (Circus of the Sun), which hoists its 1,756-seat tent in New York City this week as part of a North American tour that has made it something of a cult attraction. And Lacombe is his star clown, who does a socko act conducting the *1812 Overture* in ski boots while strapped to a trampoline—a feat that must be seen to be understood.

Tradition is honored, of course. There are first-rate aerialists, teeterboard balancers, trick bicyclists and lots of clowns. But what the gifted Canadians are presenting is less a conventional succession of circus acts—there are, for example, no animals—than a wondrous flow of fantasies, produced with all the drive and coherence of a Broadway musical.

Call it circus theater. As the show begins, a dozen drably dressed country people, simple villagers caricatured with half-masks, wander into the tent's single ring. They look timidly at the ropes and rigging, the aerialists' gear. What if... *Whoosh!* Colored smoke floods into the ring; lights swirl. A mysterious sprite materializes from vapor: the beautiful and alarming Queen of the Night (Angela Laurier) is here, not just to call the circus into being but to transform the peasants themselves into clowns and acrobats. Instantly a fat old uncle (Michel Barette) is

undressed, then recostumed as—Help!—the show's ringmaster.

This mastery of theater techniques is the magic key to the Cirque's wizardry. No story unfolds, though the queen, a contortionist, eels about renewing her spells. But the mood and pace of the evening progress with the intensity of drama. One reason is the music, which is not the traditional blare of fanfares and marches but a unified score of jazz and rock.

Artistic Director Gilles St. Croix and Choreographer Debra Brown drill the cast regularly, not just on the complex movements involved but also on the artful commotion as one act swirls into the next. When the teeterboarders have finished (for some marvelously zany reason, they appear as penguins carrying briefcases), their boards must be danced lightly out of the ring. The tightwire supports must waltz amusingly into the ring. Now, precisely on cue, Antoine the wire walker plays a soothing tune on his oboe for his nervous partner Agathe. Off to the side, Hand Balancer Amélie Demay, 19, shows a younger girl how to do a handstand on the balance point of a teeterboard.

The Cirque will head next to Toronto, then Washington. Back in Montreal, a new, even more theatrical show is being planned. In the meantime, performers move in and out of the Cirque's cast as the show travels. The youngest so far is seven-year-old Annie Wagner-Bouthillier, one of 14—count them!—14 riders in a bicycle balancing stunt. In Manhattan's Battery Park City, it should not be hard to recognize her. She'll be the one with the big smile.

—By John Skow.
Reported by Elaine Dutka/Los Angeles

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Books

The Troubles of the Tiny Terror

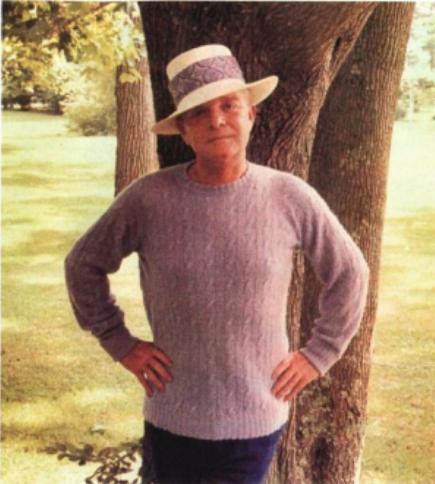
CAPOTE: A BIOGRAPHY by Gerald Clarke, Simon & Schuster; 632 pages, \$22.95

It was hard to see why the late Jacqueline Susann, author of the noequal best seller *Valley of the Dolls*, got so upset. All Truman Capote had done was to mention to Johnny Carson, on the *Tonight* show, that Susann looked "like a truck driver in drag." No offense there. "Bitchy, yes; malicious, no," Capote explained in a letter to Susann's attorney, Louis Nizer, after she filed suit. Capote went on to praise Nizer's own letter to him as well written: "If only your client . . . had your sense of style!" Susann took this badly and caricatured Capote in her novel *Dolores* as Horatio Capon, a gossipy painter who resembled a "blondish pig."

Heavens! Is Gerald Clarke's biography of the Tiny Terror, as the 5-ft. 3-in. novelist and journalist was accurately known, a recounting of such surrallities? The answer is a joyous and admirably unifying yes. Capote, who died in 1984 "of everything . . . of living," as Band-leader Artie Shaw said at his funeral, was always his own best character. He lived an outrageous life, mostly against society's grain, and invented gaudy lies to pad out the occasional dull spots (an early dust-jacket blurb had him dancing on a Mississippi riverboat). Author Clarke, the TIME contributor, sorts out the nonsense, the brilliance and the bitchiness of Capote's life in what is the liveliest and rowdiest literary biography in recent memory.

Scandal was the sea in which Capote swam. Clarke quotes Capote's story, for instance, of his not-very-electric sexual fling with Errol Flynn, and of a tender interlude with John Garfield ("one of the nicest people I've ever known. My mother saw him just once and tried to get him into bed with her"). Capote used such shockers to draw corresponding admissions from subjects he interviewed. Clarke's breezy and sympathetic account inevitably teems with them and is sure to keep tongues wagging busily through the summer.

Capote's father, Clarke relates, was a charming con man named Arch Persons, a bad-check artist who worked, when he worked, as a promoter for a carnival performer called the Great Pasha, whose specialty was being buried alive. His mother was a small-town Alabama beauty named Lillie Mae Faulk, who eventually chucked the shiftless Arch, headed for



Capote in 1976: brilliance and bitchiness in a sea of scandal

New York City and changed her name to Nina because it sounded more sophisticated. Little Truman was parked for much of his childhood in a Southern-gothic household of eccentric cousins in Monroeville, Ala. But Clarke stresses that his most agonizing early memory was of being locked in a hotel room by his mother when she went out on the town. "That's when my claustrophobia and fear of abandonment began," Capote said. "She locked me in and I still can't get out." Much of his character—he played the endearing, clever child till late in life and spoke in a high, childlike voice—can be read as a vain attempt to please his mother so much that she would not leave him again, in the hotel room or with his cousins.

He was a precocious and pretty 17-year-old when he arrived on the New York literary scene in the early '40s. (He came by way of Greenwich, Conn.; his mother had married a prosperous New York businessman named Joe Capote, who turned out to be a kindly stepfather.) Capote wangled a job at *The New Yorker*, and at night wrote and overwrote fevered, delicate, swamp-baroque stories that were

skewed images of Monroeville. On the strength of one story in *Mademoiselle*, Random House signed the new phenom to a book contract.

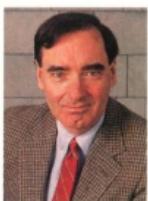
The slim novel Capote produced at 23 was *Other Voices, Other Rooms*, which told of the painful growing up of a sensitive Southern child named Joel Knox, widely assumed to be a stand-in for the author. It was well written and convincingly atmospheric, with no word out of place. But what made *Other Voices* a sensation was an extravagantly campy photo of Capote on the dust jacket, reclining on a couch, wearing bangs and a look of degenerate satiation. His sexual orientation could not have been clearer if he had held a rose between his teeth.

In 1948 such brashness was shocking. It was also courageous. Toward the end of his life, when Capote had become a talk-show Scheherazade, his high voice and bizarre costumes were no more than comic effects that served to keep Middle America awake till the next commercial. But at the beginning of his career, it took nerve to fly his unpopular flag.

The same formidable nerve sustained a major talent for self-publicizing. Capote talked endlessly about "the difference between very good writing and true art" and left no doubt which he was serving up. To a considerable extent he was taken at his own estimation, though a large part of his writing (his 1957 *New Yorker* portrait of Marlon Brando is an overpraised example)

was nothing more than good, smooth journalism. His pretense that the powerful and meticulously written *In Cold Blood* was something to be called a nonfiction novel de-meant both forms but got a lot of ink.

His habit of chattering on the *Tonight* show and of lunching with the glossy wives of moneyed men diminished his serious reputation as it increased his notoriety. He began to take on the appearance of a piffler, a court jester to such rich beauties as Babe Paley, wife of longtime CBS Chairman William Paley, and Slim Keith, wife of British Financier Lord Keith. Clarke comments that Capote looked upon the stylish rich "the way the Greeks looked upon their gods, with mingled awe and envy." To amuse these friends, he invented a game called International Daisy Chain, in which the



Biographer Clarke

point—"SO educational," he insisted—was to connect improbable people through a linkage of sexual affairs. Henry James to Ida Lupino, for instance, went "Henry James to Hugh Walpole to Harold Nicolson to the Hon. David Herbert to John C. Wilson to Noel Coward to Louis Hayward to Ida Lupino." Or so Capote said.

The trouble was, he would say anything. "He delighted in turbulence," writes Clarke. "When none existed, he would stir it up." Clarke quotes Slim Keith's recollection that "he would invent something out of whole cloth, an absolute fabrication, and say, 'Did you know that X is having a walk-out with Y?' I would say, 'Oh, Truman, for God's sake! That's ridiculous!' Then I began to think about it more and wondered: is it that ridiculous? And something usually did come of his invention ... he could cause a lot of trouble."

Eventually, the trouble came down on his own head, and Clarke's chapters on

"Capote lived an outrageous life . . . and invented gaudy lies to pad out the occasional dull spots"

his downfall are touching. For years Capote had been working, and pretending to work, on a big novel to be called *Answered Prayers*, which would establish him as the American Proust. He agonized over the book, announcing portentously, "When God hands you a gift, he also hands you a whip; and the whip is intended solely for self-flagellation." He actually wrote a few chapters, between episodes of the alcoholism that was dragging him down. Some appeared in *Esquire*, and one, called *La Côte Basque*, after a fashionable Manhattan restaurant, was a raunchy retelling of some fairly gay stories about his rich friends, caricatured in recognizable detail.

The Paleys and the rest cut him dead, permanently. Capote was astonished, desolated, alone at lunch. He drank more heavily, abandoned his novel, became less choosy about sexual companions. A month before his 60th birthday, his heart began to beat arrhythmically, and he died.

But not, as Clarke's spicy history makes clear, before he had lived. Of all the bright anecdotes, one told by Tennessee Williams sticks in the mind—of crossing the Atlantic on the *Queen Mary* with Capote when he was young, and of prankishly mixing up shoes set outside staterooms for shining. And of an Episcopal bishop following Capote about the ship "with an irreligious gleam in his eye," and of Capote saying slyly, "I've always wanted to have a bishop's ring . . ."

—By John Skow

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Rousseau Redux

THE NEW CONFESSIONS
by William Boyd
Morrow; 476 pages; \$19.95

First there's the book, then the movie, right? Or maybe the movie—or the mini-series—comes first and then the book. Those are familiar enough sequences, but how about this one: the book and the movie tied together in one package?

That's the magic trick British Author William Boyd has managed in his fourth novel. He tells the life story of a rather prickly film director of genius, one John James Todd, and in doing so describes the making of Todd's silent masterpiece so clearly and vividly that the reader may feel he has seen the nonexistent epic. Titled *The Confessions: Part I*, it is the first film in a projected trilogy that is to be the realization of Todd's dreams. Imprisoned in Germany during World War I, he read Jean-Jacques Rousseau's *Confessions*, and it took over his powerful imagination. Todd's catastrophe is that by the time he has finished Part I to his maniacal standards, it is 1931, and the arrival of sound has rendered his 5-hr., 48-min. extravaganza a "splendid three-masted clipper ship . . . magnificent, but of another age than ours."

Todd's life is a walk through the 20th century, and Boyd makes a lavish, if somewhat raveled, tour leader. Todd's mother, like Rousseau's, dies giving birth to him, and he grows up with his dour physician father and his pompous elder brother, not knowing much of love except for the erratic attentions of Onagh, the daily. An indifferent student, he is eventually shipped off to a boarding school that he actually enjoys, in part because he never takes rugby seriously and in part because he is able to develop his talent for photography.

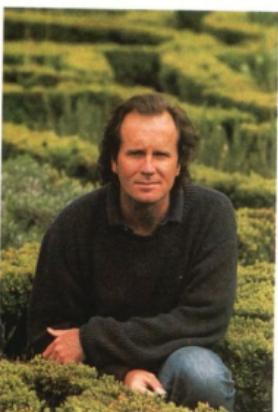
These early scenes have a vigor and pictorial sharpness that mark Boyd's best writing. After reading the description of the Todd's house, the reader feels he could find his way around it in the dark. The chapter on the school is as effective in miniature as any number of public school classics. Todd's closest friend is an acne-ridden chap named Hamish who happens to be a mathematical wizard. Hamish is the goat of some brutish schoolboy pranks, but he is too intoxicated by his own theories to care very much. His presence gives rise to some authorial speculations on the wonder of numbers, their patterns and how they often reveal themselves to true adepts in pictures.

Todd launches himself slowly and awkwardly into the world. Self-centered, given to gusts and swoons of excitement, he is, as one of his actress lovers tells him, a "great, big, Grade A, ignorant fool." Nor is he a wholly attractive fellow. His sex life is a series of not so magnificent obsessions; like his idol, he deserts his children. Irritatingly, a paranoia starts to

flare whenever he loses what he desperately wants: "control, total control."

But Todd is neither a cynic nor a coward, and he never dodges the consequences of his own wild inspiration. Rousseau, he recognizes, is the "first modern man . . . [who] spoke for all of us suffering mortals, our vanities, our hopes, our moments of greatness and our base corrupted natures."

The making of *Confessions: Part I* is a splendid set piece within the novel. Over budget. Behind schedule. An actor's forgotten mother located and brought onto the set to shock her son into the horrified reaction the director seeks. A baby nearly dying of chills as Todd refines upon the perfection of a scene. A charming passage about young women picking cherries that turns out to be the high point of the movie. A rather exhilarating cast of show-biz



Boyd: scenemaker and tour director

types who figure in the production and usually take the director for the wrong kind of ride. It is zestful, sure-handed scenemaking; Todd himself would approve of his creator.

In the succeeding decades, Todd's fate resembles that of many European artists: a flight to California just ahead of the Nazis, bad—though well-paid—times in Hollywood, a ruinous tangle with the House Un-American Activities Committee (Todd has no political commitments whatever). Several of the cinema folk who surrounded Todd back in Berlin during the silent days turn up again, usually running true to bad form.

But some of the gusto is missing. As his hero ages, the author's energy flags. Promising situations are brought up only to be dropped, and the tour of the century ends rather limply. Still, Boyd, 36, a skilled and productive novelist (*A Good Man in Africa, Stars and Bars*), has succeeded in no small feat: writing a portrait of an artist that is both entertaining and intellectually engaging. —*By Martha Duffy*

Art

Discontents of the White Tribe

Eric Fischl disturbingly paints the hidden life of suburbia

Eric Fischl has become the painter laureate of American anxiety in the '80s. From the moment he exhibited *Sleepwalker*, 1979, his image of a teenage boy resentfully masturbating in a suburban wading pool, Fischl has zeroed in with unblinking curiosity on the discontents of the White Tribe whose territory stretches from Scarsdale to Anaheim: unreachables kids, grotesque parents, small convulsions of voyeurism and barely concealed incestuous longing.

This is the suburb as failed Eden, noted by two out of three American sociologists and not a few novelists. But Fischl's project is not to embroider clichés on it. Rather he finds images that seem to trail a whole narrative history behind them, but obliquely—so that you, as viewer, are put at the threshold of a hidden life that may, if you look closer, be yours. Fischl is a true American realist, but he works at a pitch of psychological truth (especially about adolescent sexuality) not known in the American narrative art of his forebears in the '30s. At his best he seems, roughly, a cross between Edward Hopper and the Philip Roth of *Portnoy's Complaint*. Thus it seems just right that Roth has written a catalog introduction to Fischl's current show in Manhattan, six paintings on view at the Mary Boone Gallery through June 25.

When Fischl started out, the odds were against the very idea of narrative painting based on the human figure. Born in New York City in 1948, he went to the California Institute for the Arts in Valencia in 1970, just at the height of the belief, then endemic in the American art world, that "painting is dead." Cal Arts epitomized the frivolity of late-modernist art instruction—no drawing, just do your own thing and let Teacher get on

with his. Art education that has repealed its own standards can destroy a tradition by not teaching its skills, and that, broadly speaking, was what happened to figure-painting in America between 1960 and 1980. Fischl is not a mature artist yet, but he deserves nothing but respect for his struggle to create a mode of figuration that is tense, dramatic and full of body. He has managed to reconstruct at least some of his birthright; his figures, though they inhabit a wildly different sexual and psychic world from that of late-19th century America, have a direct matter-of-factness that reminds one of Winslow Homer. But the signs of loss do show.

Clearly, Fischl wants an overall look that is not too finished, consistently "imperfect," with an air of unconcern for its own pictorial mechanism—the creamy, dashed-off realism of a Manet oil sketch. But this requires a mastery over the detail and frequency of brushstrokes, and a certainty about the drawing embedded in them, that he has not yet attained. He will slide from a passage of near virtuoso colloquialism to one of awkward smearing and prodding, and not fix—maybe not see—the difference.

He also tends to work as though he were afraid a single surface could not be "radical" enough. Hence his use of canvases butted against one another, overlaid, leaning together, with the scene con-

tinued across them. This "collage" sometimes carries a memory of constructivism, and suggests the overlay and dissolve of film images. But it is still a pedantic device. In *The Young Max B. in Kansas*, 1987, where an altar boy in a white surplice is standing behind a kitsch ornament on a lawn in front of a tract house, the ornament on its separate canvas looks like an afterthought, even though its blue sphere, coarsely suggestive of infinity, is essential to the image. Fischl's work is far stronger when it speaks directly from a single, continuous, rectangular plane, so that the argument between illusion and brushstroke and dramatic scenarios is not cluttered by artsy, shaped-canvas garnish.

The most ambitious painting in the show, *The Evacuation of Saigon*, 1987, is only half an allegory. Its title invites you to see the naked girl at the end of the jetty as an abandoned South Viet Nam and the rubber boat as leftover military hardware, but the invitation is not very strong, since her chunky white body is so obviously Western. The work is more a genre painting of some unclassified weekend incident.

The strangest image, and the simplest, is *Girl with Doll*, 1987. Wiry, squinting and indefinitely prole in her nakedness, she recalls one of Homer's Maine girls deprived of innocence and brought up to date. But the Bullwinkle doll she holds is like some witch's comic-repulsive familiar in Goya; it has her by the neck, and the pairing is so vivid that for the moment you ignore the formal lapses in Fischl's painting, such as the overstressed modeling of the knobby knees. The canvas provokes comparisons with monster-and-innocent pairings in older art, and then slyly retracts them: *Hey, lighten up; it's just a kid on a beach!* This harsh painting exemplifies Fischl's desire to turn the viewer into a reluctant and embarrassed witness. At such moments you realize that, whatever awkwardness his work still harbors, you cannot wait to see what he is up to.

—By Robert Hughes

The Evacuation of Saigon, 1987: half an ambitious allegory



High Noon for Women's Clubs

Faced with new competition, they must adapt—or disappear

When Clarice Conley was nine years old, her mother and grandmother began the initiation. Dressed in her finest, shoes shiny, gloves pristine, she was allowed to follow them through the heavy oak doors of the Highland Park Ebell Club in the hills of northeastern Los Angeles. In the cavernous main hall, surrounded by distinguished ladies with brows aloft, she listened to dramatic readings, or speeches on art or tropical Brazil. The children even had a dining room all their own.

More than a half-century later, Conley is president of the club. But the hub of cultural and social activity that flourished in 1922 has only 40 members left. It leases space to help pay expenses. Conley, who at 74 is one of the younger members, realizes that an era has passed. "It's not that the women have changed," she says. "There's still a need for contact with people. It's the life-style that's changed."

Conley's club is not alone. Across the U.S., the traditional women's club has become an endangered species, with a steadily aging membership. The number of club members has dropped by more than half since 1957, to fewer than half a million. Now that more jobs, organizations and opportunities are open to women of all ages, the clubs seem to be less attractive; many are faced with either making major changes or closing down. "We're in steady decline," admits Leigh Wintz, executive director of the General Federation of Women's Clubs, "and it's a difficult process to reverse."

The search for a fresh vision is most evident in the Junior League, that one-time bastion of society ladies that has gradually emerged as a powerful force for social change. At its annual meeting three weeks ago in Chicago, some 900 delegates voted to standardize admissions procedures, pulling down, in effect, some of the blood-test barriers that for years preserved the league as a high Wasp domain. The vote, said incoming President Maridel Moulton, "will signal to the world that we really are an organization that wishes to be open to any woman who wants to make a commitment to volunteerism."

In recent years leagues in many



Endangered species: Conley, front and center, with fellow members
Without modern missions, traditional bastions are losing their appeal

cities have spent less time on cotillions and cookbooks and more energy on women's alcoholism, battered wives' shelters, rape-crisis centers and teen pregnancy. Many have also worked to make the growing membership more representative, but old pedigrees die hard. "We've stood on our heads to make people aware that Junior League is not a society organization," says Maria Trozzi, of Boston's Junior League, which has dropped virtually all barriers to admission, "but that image is hard to change."

Hard to change, in part, because the image of women's clubs is so tightly tied to the bone-china days of yore. Most clubs were born in the era following the Civil War as a makeshift laboratory for women's consciousness. The Industrial Revolution had freed women's time, reduced



Reaching out: Junior Leagues on a hospital visit

their chores, increased their mobility and introduced that cherished female institution, the free afternoon.

Yet from the beginning, there were clubwomen with a more ambitious agenda—to reform not only themselves but society. Over the years they provided the leadership for the suffragist movement, child-labor reform, conservation, temperance and civil rights. "You have to remember," says Karen Blair, assistant professor of history at Central Washington University, "that until 1920 women didn't have the vote, and this was their only way to have a public voice outside the home."

In one sense the clubs have become victims of their own success: by realizing their mission, they invite their demise. As access has opened up to government, the workplace and the courts, women's clubs are no longer the primary path to fulfillment or power. Where they once provided an invaluable network of contacts and company, they must now compete with single-issue organizations, professional groups and even men's clubs.

Many young professionals have launched their own charitable groups. As women master the most advanced fund-raising techniques, they lose their patience with the labor-intensive traditions of club charity work. "Women's philanthropy is becoming much more sophisticated," says Los Angeles Businesswoman Patty DeDominic. "Why have twelve committee meetings to raise \$4,000 when, with the right contacts and planning, you can have one event at someone's home and raise \$25,000?"

Those women's clubs that have taken on more challenging projects seem to find members more willing to devote their time and energy to the cause. Other organizations will have to adapt their programs, schedules and rules in order to survive. "I think we're waking up and deciding something needs to be done," says Carol Silvs,

president of the Texas Federation of Women's Clubs. Some groups are holding more events at night and on weekends and trying to broaden their membership base. The Virginia federation has established an organization for deaf women, while New Jersey has formed a group for the mentally retarded. All are working hard to attract younger members. Ironically, many hard-pressed clubs may find that a return to the activist spirit of the past holds the greatest promise for the future.

—By Nancy R. Gibbs.

Reported by Elaine Lafferty/Los Angeles, with other bureaus

Street Smart.

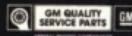
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People

It rained on the Columbia Law School commencement last week, but more diverting than the weather was the downpour of Kennedys celebrating Caroline Kennedy Schlossberg's graduation. Jacqueline Kennedy Onassis was beaming, and John Kennedy Jr. took time off from his own labors at New York University Law School. The family's ranking lawmaker, Senator Edward Kennedy, showed up as well. As for the young lawyer's career plans, mum, or more precisely, motherhood, is the word. Caroline and Husband Edwin Schlossberg are expecting a baby in July. Some public service also awaits. Last week Caroline was named to a new advisory committee on presidential libraries. David Eisenhower, grandson of Dwight Eisenhower and son-in-law of Richard Nixon, was also appointed. Calling Amy Carter?

After writing 25 books, winning the Pulitzer Prize, the National Book Award and a thick anthology of other honors, what's left for a poet to do? If he is Howard Nemerov, he gets appointed as the nation's third poet laureate, following in the steps of Robert Penn Warren and Richard Wilbur. A professor at Washington University in St.



The Schlossbergs, Jacqueline Onassis, John Kennedy Jr. and an avuncular Senator Kennedy attend graduation

Louis, Nemerov, 68, was named last week and will begin his one-year term in the fall. What the national versifier will do with his time remains unclear. "It's a very great honor to be appointed to this, whatever it is," Nemerov is known for a conversational style and biting humor, as when he wrote in *Epitaph*: "Friends sigh and say of him, poor wretch! He was a good writer, on paper."

Hello again, Norma Jean. Elton John's lament goes that we "never knew you at all," but as Marilyn Monroe, Norma Jean

became one of the most photographed women of the century. Twenty-five years after her death, fresh images of her still appear, some, incredibly enough, never published before. The latest unseen pictures—96 in all—are the work of Santa Monica Photographer William Carroll, who snapped the 19-year-old Norma Jean Dougherty for a counter-display ad in 1945. His shots are expected to sell for nearly \$1,000 each when auctioned at Christie's in New York on June 21. Carroll echoes Elton John: "She was a delightful person to be with, the kind you would want to know better."

True love is said to transcend ideology and geography. That is the best—perhaps the only—explanation of why a love nest in the New York City borough of Queens houses a top, hard-lining Communist official from Poland. Stefan Olszowski, 56, a Moscow-oriented former Polish Foreign Minister who once was nearly given General Wojciech Jaruzelski's job as Communist Party chief, was expelled from his country's Politburo in 1985, partly because of his open affair with Zofia Skowron, a Polish civil servant. Skowron was transferred to the United Nations, and it was revealed last week, in 1986 Olszowski followed her and their son Nicholas, now four. Olszowski has since been divorced and last month married Skowron. How does the onetime scourge of Solidarity like the West? No comment. "I'm just a private

person," said Olszowski. "I'm not prepared to do any talking to the public."

Some hopes were dashed at the mammoth Atlantic Records 40th Anniversary concert last week. Aretha Franklin and



Plant rocking back at the top

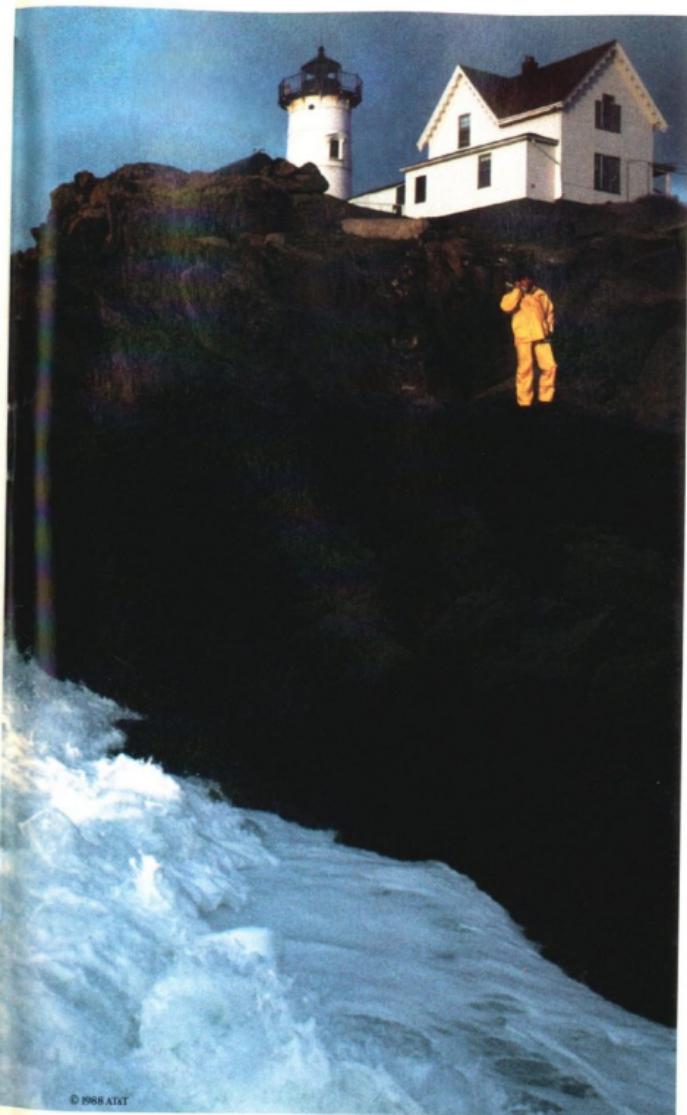
Ray Charles, artists from the company's golden age, were absent. The Rolling Stones did not show up. Phil Collins of Genesis apologized for miffing the lines to his 1981 hit *In the Air Tonight*. But all was forgiven when Robert Plant, whose *Now and Zen* is currently No. 6 on *Billboard's* Top Pop Albums, rejoined his old band Led Zeppelin, the venerable heavy-metal group, for a few of their old hits, including *Whole Lotta Love* and *Stairway to Heaven*. The crowd was in paradise.

—By Daniel Benjamin. Reported by Lawrence Mondi/New York



Monroe at 19: more revelations from a seemingly limitless storehouse

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DEWAR'S PROFILE:

HENRY THREADGILL

HOME: Brooklyn, NY

AGE: 43.

PROFESSION: Composer; multi-instrumentalist; inventor of the hubaphone; leader, Henry Threadgill Sextett.

HOBBY: Swimming. "It's the best way I know of keeping my head above water."

LAST BOOK READ: *Silence*, John Cage.

LATEST ACCOMPLISHMENT: Two new records: *Easily Slip Into Another World*, with the Sextett; *Air Show No. 1*, with Air, his other group.

WHY I DO WHAT I DO: "It was either make money or make music which for me wasn't even a choice."

QUOTE: "Tradition is a background of ingredients; in itself it's nothing. If you can't make something out of it, the world can do without it."

PROFILE: Intuitive, strong and as sharp an observer of his fellow man as his music would lead you to think.

HIS SCOTCH: Dewar's "White Label" "on the rocks, after the music stops."

